PROGRAM AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE Fri., Oct. 8

What is Cooperation:

ANNOUNCEMENT: Just now, one of the questions of the hour among farmers, concerns cooperative marketing. This week C. L. Christensen, Chief of the Division of Cooperative Marketing, Department of Agriculture, will furnish answers to questions put to him on this timely subject. Please forward your questions to him at Washington or send them to this station and they will be answered in later interviews. Each Friday at this hour a national economist will discuss current questions of vital interest to farmers. The first interview follows:

Question: Lately I have heard a good deal about cooperative marketing of farm products. I'm not quite sure that I know what it's all about.

Answer: Cooperation means working together. Cooperative marketing means that farmers work together to market their crops. Now, marketing is a business that requires expert knowledge. It requires investments in warehouses, in packing houses, in creameries -- depending on the product to be marketed. Therefore, the farmers organize a cooperative association, which employs trained men to do the actual work of marketing their products.

Question: Is a cooperative association the same as a corporation?

Answer: If it is incorporated, it is a corporation. But it differs from the ordinary corporation, such as the corporations that own the railroads, or telephone and telegraph lines.

Question: Of course, a farmers' corporation wouldn't be as large as a railroad company. But isn't it organized about the same way? What are the differences?

Answer: In the first place, a cooperative marketing association is not formed to make a profit on the money invested in the business. It is formed to give its members marketing service at cost. Dividends on capital must be limited to not more than 8 per cent. Other earnings, not necessary to pay operating expenses or to set up reserves, are paid back to the members in proportion to the business each one does through the association.

Question: How about the voting privileges?

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Answer: In most cooperative associations, each member has only one vote no matter how much money he may have invested in the association. A stockholder in the noncooperative type of corporation, on the other hand, has one vote for each share of the stock he owns.

Question: Why should each member have just one vote? If one farmer invests $1,000 in an association, and another invests only $100, shouldn't the first man have ten votes and the second only one?

Answer: Many people believe as you do, because they don't understand the farmers' motives in forming cooperative associations. Suppose we are members of an association marketing apples. An investment of $10 per acre of bearing orchard is necessary to build a storage and packing plant, buy grading machinery, etc. If you had 100 acres you would contribute $1,000. If I had only 10 acres, I would contribute $100. The association pays us the nominal rate of interest for this money. But you did not join the association in order to find an investment for your $1,000. You became a member because you wanted a good price for the apples grown on your 100 acres of orchard. I joined because I wanted to market the fruit from my 10 acres to the best advantage. Our interests are the same, and my 10 acres mean as much to me as your 100 acres to you -- It is all I have. If we are neighbors, working together to improve prices for our fruit by performing marketing services better and at less cost, why shouldn't I feel I have as much voice as you in the management of the association?

Question: But if I should feel that the association was being mismanaged, the two ten-acre growers, shipping only one-fifth as much fruit as I, could out-vote me. Is that fair?

Answer: On the other hand, if your thousand dollar investment entitled you to ten votes, you could out-vote nine men who had only $100 each invested. Aren't these nine men as likely to be right as you? Your objections illustrate the point, that cooperation must be based on mutual confidence and willingness to cooperate. The individual member must give and take. He must put the interest of the group first. Of course, if he feels that his association is being mismanaged he should fight for what he considers to be fair to all.

Question: In other words, the individual must submerge his own selfish interests, when he joins a cooperative association. Is that it?

Answer: Or if you want to state it a little differently, he must realize that he can best promote his own interests by promoting those of his fellow-members.

Question: Are there any large cooperative associations -- any in the million dollar class?

Answer: Several hundred are in that class. There are five or six that do a business of over fifty million dollars each year.

Question: Somebody told me a lot of farmers were going in for cooperation. Is that true?

Answer: More than two million farmers now belong to some sort of farmers' business organization. That is practically one-third of the farmers of the United States. There are about twelve thousand associations in the country now. The number has jumped from seven thousand in 1921, while in 1913 there were not more than three thousand.

Question: Two million farmers sounds pretty big. Do they have much business?

Answer: The business handled by these associations in 1925 is estimated by the Department of Agriculture as $2,500,000. That is approximately 20 per cent of all farm products sold.

Question: You don't mean it! What kind of products do they handle?

Answer: Fruits and vegetables, livestock, wheat, cotton, tobacco, butter, cheese, milk, eggs, wool, nuts, and pretty nearly everything.

Question: When two million farmers are interested in a movement, something ought to happen. It ought to mean something more than just better prices, though everybody knows we need better prices badly.

Answer: You are right. This movement should mean more and does mean more than just better prices. Better prices is a very evident need. It involves a good bit of education regarding better methods of production and marketing. A knowledge of grades, standards, packing, shipping, financing, and other functions is needed. At the same time the farmer is getting acquainted with his neighbor and learning to work with him. The net results of all this is the improvement of country life and the making of better citizens. This is what Sir Horace Plunkett meant by his formula: "Better farming, better business, better living."

ANNOUNCEMENT: Another interview with Mr. Christensen may be heard from Station ______________ Friday, October 22 at this time. You are all members of this round table discussion and priviledged to ask questions on the subject. Send them to Station ________ or directly to the Division of Cooperative Marketing, Washington, D. C. "The Wonderful Fruit Year" will be the next subject in this series.

UNITED STATES DEPARTMENT OF AGRICULTURE
Radio Service
OFFICE OF INFORMATION

PROGRAM AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE Fri. Oct. 15

What about the Potato Crop?

ANNOUNCEMENT: This year the potato crop is one of the few that is bringing fairly satisfactory prices. It is one in which production does not appear to have been overdone. This week W. A. Sherman, head of the Division of Fruits and Vegetables in the Bureau of Agricultural Economics of the U. S. Department of Agriculture, answers a number of timely questions on the potato situation. If you have other questions, send them to him at Washington, or to this station, and they will be answered in later interviews. Each Friday at this hour a National authority will discuss timely problems. The interview follows:

Question: How about potatoes, Mr. Specialist? I hear the crop is short again.

Answer: Yes, the potato crop is well below the average production although it is probably somewhat larger than last year.

Question: Do we often have two light crops like these, - one after the other?

Answer: No, we do not. It looks as if the farmers took some notice of the warnings not to overplant. Anyway, they kept their potato acreage down to within two per cent of the season before. And last season, as you know, was the lightest planting in many years. If they had not planted potatoes lightly, we might have had too many of them, since the yield per acre this year is about up to the five-year average.

Question: Where is the shortage this year?

Answer: There is some shortage in every region. Most of the main crop shortage as compared with the average year is reported in the Central West. There the seven leading potato states will go 26 million bushels below average production, according to the September estimate. New York and Colorado are the other important main crop states going far below average production. In general, the shortage of the northern main crop is about where it was last year but this season's shortage is not so extreme.

Question: I notice that most of the short production states you mention are the ones that ship to middle western markets. Would this mean shortage of northern and western potatoes in the markets?

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Answer: There may be some shortage of northern and western potatoes as compared with the average but probably not as compared with last year. I would expect more northern potatoes this year in middle western markets. About one-third of the net gain over last year is in Michigan and Wisconsin. The Rocky Mountain and Pacific states combined are producing about as they did last year and not much below average. In the East, New York is again the weak section but doing much better than last season.

Question: Will potatoes go as high as they did last year, Mr. Specialist?

Answer: I would suppose not, because the crop at last accounts was seven per cent larger this year.

Question: Does the price depend on the size of the crop?

Answer: Not wholly, but other conditions, so far as we can see now, are much as they were last year.

Question: What conditions?

Answer: I meant conditions of competition and demand. Canada seems to have a light crop, just as we have, and the tariff on potatoes is still in force. Canada sent us 8,000 carloads last year but not enough to take much effect on the market. Potatoes from Europe are shut out by the disease quarantine. As for demand, there is no reason in sight now why consumers may not be expected to buy as freely as last season.

Question: How high did potatoes sell last season?

Answer: They ran considerably above $3.50 per hundred pounds last season in Chicago - and about like that in other city markets in large lots.

Question: I am offered about half as much per bushel as last winter's highest prices. Should I sell now at such prices even if the crop is somewhat larger this year?

Answer: You must reckon for yourself the chances of a better crop than we expect now. Then you must figure on 10 per cent ordinary shrinkage if you store the potatoes until spring. Even if you hold them only a month or two there would be two or three per cent of shrinkage, besides some chance of freezing or rot. Usually, when the crop is short the price is higher the following winter and spring than in the fall months. But there are risks and drawbacks in waiting. Last year perhaps the best time to sell was at the high point of October. This year for all we know the best time may have been awhile ago when potatoes were selling above $3 per hundred pounds in Chicago. But only a small part of the main crop was ready then. Of course, the early seller avoids a lot of worry and expense.

Question: I kept my potatoes too long last year?

Answer: Yes, they shrink in weight very fast when warm weather comes.

Question: That's so. Besides, there were too many people who had them to sell in the spring and the price was "off" a little when I sold mine. Quite a number of people in my section tried to hold potatoes for a rise--folks who knew very little about potatoes. Not much use to join a crowd like that.

Answer: Yes, when the crop is short everybody gets the news. Now the papers, telegraph, telephone, and the radio are working together to get the information to farmers. It doesn't pay anyhow to store potatoes unless the price goes up considerably. About half of the entire market production is sent off by the first of the year. The rest of it goes to market steadily all winter and there is an opening for only a small part to find a market in the spring.

Question: Mr. Specialist, I noticed that potatoes went up about $2 last year from early fall to winter. How does that compare with other seasons when production ran about the same according to population?

Answer: The price gain last season was the greatest since the war boom seasons of 1916 and 1919. Then the price went up just about as much during the season. Before the war a rise of as much as 50 cents to $1 per on hundred pounds was considered good even in a short crop year. Now that the public is used to high prices and high wages, the buying keeps up, more or less regardless of prices.

Question: I might sell part of my crop and store the rest?

Answer: Yes, if you have a good place to store potatoes and can afford to run some chances. That is often the best plan in years when the crop is below average.

Question: I wonder if I have the points in mind now. You tell me we have a short crop but more than last year and advise me not to expect a market just like the one we had last season. I gather that the price outlook is fairly strong but that I might better sell at least a part of my potatoes as soon as I am offered somewhere near the price I think they will reach.

Answer: Yes. Of course;a bird in the hand, - you know. But watch the news of crops and weather, prices and shipments, and bring your ideas of the situation up to date as you go along.

Question: Should farmers plant more land to potatoes next year?

Answer: Not much more, if any. The yield per acre nowadays is some 10 bushels more than it used to be. That is because so many growers use good seed and follow better methods. Even the poor years are better than the old average so far as concerns the number of bushels per acre. A good potato growing year, like 1924, with 127 bushels to the acre, would supply the market liberally and the price might go too low for any profit.

ANNOUNCEMENT: This closes our interview with the Agricultural Economist, for today. If you have other questions which you wish answered at this period on future Fridays direct them to the U. S. Department of Agriculture or to this station.

UNITED STATES DEPARTMENT OF AGRICULTURE Radio Service OFFICE OF INFORMATION

PROGRAM ......AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE ......Fri. Oct. 29

ANNOUNCEMENT: During National Apple Week everyone is interested in the apple market. In the following interview, W. A. Sherman, in charge of the Division of Fruits and Vegetables of the Bureau of Agricultural Economics in the U. S. Department of Agriculture, discusses the general apple situation. If you have other questions, send them to him or to this station.

* * *

Question: What is the matter with the market, Mr. Sherman? Apples have been selling very slowly in my section.

Answer: Too many apples, Mr. Farmer, that's all. Fully one-sixth more to sell than last season, and we had a fair sized crop then.

Q: Is there nothing else the matter; only the big crop of fruit?

A: Not much else. The quality is generally up to standard. People are buying apples as usual, and most of them have the money to buy what they want to eat. Shipments are heavy. Part of the slowness of the trade is because almost every section has a homegrown supply this year. Export trade is active. Six out of seven of the market apples we raised this year should sell easily enough. It is the seventh apple that clogs the market.

Q: Is it the same all over the country?

A: Pretty slow everywhere. Some parts of the Middle West may be a little light on apples, but nobody has to go far to find some sort of a supply. Boxed apples for market promise only 4 to 5 per cent more than in 1925, according to the October report. Other apple regions have one-fourth more market apples than in 1925 and 45 per cent above the average. Virginia and West Virginia have about doubled their last season's light production. The heavy crops of the Southeast and in the Western New York district offer serious market problems.

Q: Aren't there any bright spots at all for the apple grower?

A: Oh yes. Quality of the crop is good and a lot of poor stuff is being kept back, as it should be. Many early apples and some others went to waste and these do not count any longer. Some late varieties are only a fair crop and these kinds should sell higher than the others, and they do. The Northern Spy, for instance, is a small crop according to all accounts, so is the Delicious. The proportion of fall apples is large, but most of them are getting out of the way early, leaving a comparatively better opening for winter apples. Further crop damage and waste resulting from low prices may reduce the general supply. Export trade promises well. Advertising the crop may help the demand considerably. There you have off-hand half a dozen or more bright spots in the situation. No; it's not so hopeless this year that growers can afford to neglect the good late-keeping fruit.

Q: Is there any chance that the best grades of long-keeping apples will sell higher before the season is over?

A: Some people might say, "no chance at all," but there is always hope. Back in 1914 came along the biggest apple crop ever raised. There were more apples than we have this season. They had about fifty million bushels in New York state alone that year. Everybody was discouraged the first of the season, and a lot of fruit went to waste.

Q: And did apples go up?

A: They actually did rise in that year of a record breaking apple crop. The average price in September and October in New York City was low, at about $2.25 per barrel, but apples went up that winter and reached $3.50 in the spring, which was higher than usual in those times. Some old timers remember the tremendous crop thirty years ago, in 1896, almost as large as now. But apples went up $1, even that year, and they went up after the great crop of 1904. On the other hand, in some years of light crops the price went down over winter, because they started unreasonably high. This year's low price at the start gives plenty of room for advance.

Q: From what you say, it seems we never can tell, for sure. Some folks may not expect much of a rise in apples this year, but we growers and dealers might as well look at the bright side.

A: Why not? You have apples to sell and the bright side is there all right. But don't grow so hopeful that you won't know a fair offer when you see it.

Q: How about the export situation, Mr. Sherman?

A: There is no reason in sight why exports should not be heavy again this year. The English crop is light and there is reported to be only a light supply of good market apples in most parts of Europe. Except for hard times in England, the prospect is good there. The outlook for apple trade is reported better in Germany than last season, fair in Sweden, good in Holland, and about the same as last season for the trade with Canada and Mexico. The countries mentioned take the great bulk of our apple exports. Last season, apple exports were over one-eighth of our market crop. That was a great help.

Q: Will Canadian apples compete in foreign markets?

A: Yes, Canadians always ship a larger per cent of their crop than we do. Canada has a 4 per cent smaller crop this season and will have only one bushel this year to our fourteen bushels of market fruit, but Canada often exports about one-third as many apples as we do and four-fifths of them go to our best market, the United Kingdom.

Q: When all is said and done, Mr. Sherman, haven't we a hard job to sell our apple crop at a fair price this season?

A: Yes, and it is up to everybody to rise to the occasion. The British

fruit interests claim they have increased their sales one-third by steady advertising. Talk apples; put up signs by the roadside; get the local dealer to set up signs in the store, and to show fancy apples in his window, and to push his apple sales in every way. Make the most of the local markets. Take the poor grade fruit to the factory, or feed it to the hogs, and send only the best to market. Wake up your Association manager, if he needs it. Write to your newspaper and radio station, asking them to say more about using apples and how to cook them right.

Q: A few of us in my neighborhood have hired a store in the city. We will advertise apples and sell apples, and nothing else, the next few months.

A: That's what I call rising to the occasion. Above all, think hard about your own apple crop. That is the only question directly for each grower. Don't let anybody in your town go without apples; even give away a few for bait. Sell apples. If you thousands of hustling market apple growers can sell seven apples where only six were sold last season, the puzzle is solved and everybody happy, after all.

Q: Of course, I have to sell my own apple crop; what else?

A: Well, there's "Apple Week," celebrated the first week in November. Help the Apple Week committees wherever you find them. Encourage the children to join in the celebration. Write about apples to your local paper. Send exhibits to the County Fair. Make consumers think "apples." Talk apples. Eat apples. Keep it up through the season.

Q: Do you mean that the farmers must eat the apple crop?

A: They surely help. More than one-fourth of all the apples stay on the farms. That would give each farm about ten bushels this season. Any family with hungry children ought to eat more than that. Put a few bushels of apples more in the farm cellar this year and eat them raw, eat them baked, stewed and fried. Consume plenty of apple sauce and apple butter. Order apple pie when you travel. Dry some, can plenty of them. Sugar is cheap. Make out to eat the "apple a day" anyhow. Apples are a choice luxury, a wonderful medicine, and no great expense on the farm. Join the American league of apple consumers and be a prize member.

Q: Can the Government do anything to help move the crop?

A: It can and it is. Its market agents are busy sizing up the situation in foreign countries to help our export trade. Its market news service will do what it can with printing press, telegraph, and radio to show consumers their opportunity, and to keep growers and shippers in touch with the whole situation. But, as with anything else, the owner of the goods must be right on the job.

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ANNOUNCEMENT: This concludes the interview with the Agricultural Economist--a regular Friday feature to this station from the U. S. Department of Agriculture. Next week at this period there will be another interview on the subject of cooperative marketing. Remember to send any other questions you may have about the apple market to this station for forwarding to the proper authorities at Washington, D. C.

UNITED STATES DEPARTMENT OF AGRICULTURE
Radio Service
OFFICE OF INFORMATION

PROGRAM AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE Fri. Nov. 12.

FUNDAMENTALS OF COOPERATION

ANNOUNCEMENT: Each Friday at this period we bring to our audience an Interview with one of Uncle Sam's Agricultural Economists. It happens just now that the spread of cooperative marketing is stimulating many inquiries. The following interview with C. L. Christensen, Head of the Division of Cooperative Marketing of the U. S. Department of Agriculture, answers many of the questions which farmers are raising. Other questions may be sent to Mr. Christensen, Department of Agriculture, and will be answered in later talks on the radio.

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Question: Is there any way we can make certain that a cooperative association will be successful? Are there any rules or principles to follow?

Answer: There is no sure rule. No one can guarantee that any business will be successful, but there are certain fundamental principles of cooperation that should be followed if an association is to be successful as a marketing organization.

Q: Supposing some of my neighbors and I want to start a co-op, what is the first fundamental we should observe?

A: First, what are you going to do with your organization when you have it? What is the need for it? What can you accomplish by cooperating?

Q: Couldn't we answer that by saying that we wanted to sell our potatoes or wheat cooperatively?

A: You must go further than that. Farmers have sold their crops for centuries without cooperation. What's wrong with the present system? How can cooperative marketing improve it? You must get to the bottom of the question. The first essential for cooperative marketing is a definite purpose.

Q: Very well. What should we consider next?

A: The next question you should consider is the volume of business. Will the crops of yourself and your neighbors give the association sufficient business to enable it to operate economically? Can you afford to hire a competent manager, buy buildings and equipment if they are necessary, and do business at a reasonable expense?

You must estimate your expense and your probable business, and estimate what the cost of operating the association will be per bushel of wheat, or per pound of butter, or whatever may be the unit and commodity with which you are dealing. A large percentage of the associations that have gone out of business have failed because there was not sufficient business to maintain the organization.

Q: That is nothing but good business.

A: Very true, but cooperative marketing must be good business to be worth anything to the farmers.

Q: But what about the principles that make cooperation different from private business?

A: Of course, they must not be overlooked. There are only two. First, all members are on an equal footing in the government of the association. Ideally each member has one vote and only one. Secondly, earnings are returned to the members in proportion to the amount of business they have transacted with the association. If I sell $100 worth of potatoes through an association and you sell $1000 worth, a five per cent distribution of earnings would give me $5 and you $50. Invested capital is paid only the current rate of interest, earnings are returned to members on the basis of patronage.

Q: That's that. What's the next step?

A: The next brings us back to good business. It is good management. But the first essential for good management is an interested, wide-awake board of directors. It is the directors' job to determine policies, with the advice of the manager; to know that they are carried out and with what results. The details of administration are the manager's job.

Q: What do farmers know about marketing anyway? Why not hire a good manager and let him run the business? Isn't that the way to handle it?

A: Cooperative marketing is the farmers' business and they must learn enough about it, at the least, to know whether it is being run efficiently or not. Furthermore, a one-man business is not safe; no one can tell when an association may lose its manager. Somone -- an officer or director, presumably -- must be able to carry on the business until a new manager can be employed. As I have said, details of administration should be handled by the manager, but the members, especially the directors, should understand the problems and policies of their business.

Q: Your idea is that the owners of the business can't leave the job of running it entirely to their hired man. What is the next fundamental?

A: The next is finance -- money to run the business. Many associations have been handicapped because they were not strong financially. Eventually the members must supply the money to build plants, to buy supplies, etc. Usually their investments are in proportion to the amount of business they do through the association. At first, however, the members may supply only a part of the capital needed. The remainder is obtained by mortgage loans, the sale of preferred stock or bonds, with the expectation that the earnings from the business will in time pay off these obligations. But the important point to remember is that you can't have a healthy business if it is starved financially.

Q: Is the way in which the records and accounts of an association are kept of importance?

A: Yes, because the management and the directors can't know what progress the business is making or what their expenses are unless they have complete records. Records should also be kept according to some uniform system so the association can compare the different items of costs from year to year and also make comparisons with other associations doing the same kind of business. The accounts should be audited at least once a year by a public accountant, and the annual report should give a complete picture of the financial standing and operations of the association.

Q: How much do the members need to know about the business?

A: Everything that the stockholders of a bank should know about their business. It may be advisable, in some cases, not to publish the details of certain negotiations or plans until they have been completed, but, as a rule, nothing should be hidden from the members. In order to cooperate intelligently they must understand what the association is doing, and the information given out bythe management should be accurate and complete.

Q: I see that one of the fundamentals of cooperative marketing is good business. How would you sum up what you have been telling me?

A: Good members, good business, and a good product to market! If you have these, success is as certain as it can ever be in business. Consequently, we call them fundamentals.

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ANNOUNCEMENT: This concludes the interview on cooperative marketing. If any questions remain unanswered please direct them to this station for forwarding to Washington.

UNITED STATES DEPARTMENT OF AGRICULTURE

Radio Service

OFFICE OF INFORMATION

PROGRAM Interview with the Agricultural Economist RELEASE Fri.Nov. 19.

THE ADJUSTMENT OF THE LIVESTOCK BUSINESS

ANNOUNCEMENT: Our regular Friday interview with one of the U. S. Department of Agriculture economists brings to you tonight, the discussion of a very timely and important subject: "The Adjustment of the Livestock Business". Many changes have taken place in the livestock business and constant adjustment must be made. Tonight C. L. Harlan, Livestock Statistician of the U. S. Department of Agriculture is the authority. If you have other questions, send them to Mr. Harlan thru this station.

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QUESTION: I am a farmer in Eastern Iowa, and my farm activities center largely around corn growing, hog raising and cattle feeding. While the hog business has been profitable for nearly two years, before that for several years it was not, and cattle feeding this year has been a losing proposition. What causes these wide fluctuations in livestock prices and is there anything we farmers can do to prevent them?

ANSWER: The question asked by you is one that is ever present in the minds of livestock producers. It is usually answered by stating that fluctuations in prices are due to changes in supply and demand. Such an answer means little. A reasonably complete answer would require hours rather than minutes. It would involve a thorough discussion of the economics of livestock production and marketing. I will, however, undertake a short explanation. Supplies of livestock, as represented by marketings or commercial slaughter vary from day to day, week to week, season to season and year to year. If demand for meats was constant these changes in supply would result in price changes of livestock in the opposite direction from changes in supply. But demand is not constant but changing according to season, weather, employment, business conditions and to increases in population. Since fresh meats must be moved into consumption rapidly, these changes in demand are important factors in determining meat and hence livestock prices. For it must be born in mind that it is meat prices that determine livestock prices and not livestock prices that determine meat prices. But important as are these changes in demand changes in supply usually consitute the most important factor in determining livestock prices. For example, the slaughter of hogs in 1925 was about 20 per cent smaller than in 1923 and the average price 55 per cent higher. Compared to 1922 slaughter in 1925 was practically the same, but the price in 1925 was 25 per cent higher. Evidently the price in 1925 was due to increased demand as well as to decreased supply.

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While farmers can to some extent control supply they can have little or no control over demand.

QUESTION: What causes these changes in hog supplies? Most farmers in this neighborhood seem to raise about the same number of hogs each year.

ANSWER: Changes in hog production are caused largely by the changing profitableness of feeding corn to hogs. Regardless of the actual prices of either, if one hundred weight of hogs in Chicago sells for more than the value of 11 bushels of corn in Chicago for any considerable length of time, there is usually a material increase in hog production within a year or so. This tendency to increase and decrease production is more prevalent in some sections of the Corn Belt than in others, although undoubtedly if you would keep a close check upon the number of sows bred in your neighborhood you would find it in evidence there. A change of 2 or 3 sows per farm in Eastern Iowa while not noticeable to the casual observer would represent a substantial change in hog production.

This changing relationship between corn and hog prices is apparently more due to changes in corn production and corn prices than to changes in hog production and hog prices. Hence, it may be said that the amount of corn production is the controlling factor in hog production.

The pig survey reports of the Department issued twice a year as of June 1 and December 1, now furnish hog raisers with information both as to actual hog production in advance of the marketing season and also as to intentions to breed for farrow the following season. These reports make it possible for the individual farmer to adjust his own production in view of future supplies.

QUESTION: Why should fat cattle prices be so much lower this summer than last? My cattle weighing about 1400 pounds only brought $10.50 in Chicago in August this year while similar cattle in August, 1925, brought $15.10? Although feed costs were somewhat lower this year these were largely offset by increased cost of feeding cattle; has cost of production nothing to do with selling price?

ANSWER: The principal cause of the much lower prices of corn fed cattle this year compared to last is increased supplies - especially of the better grades of such cattle. While total of cattle fed was probably not much larger than in 1925 the number fed out to a high finish was materially larger. This increased supply of well-finished cattle was due to two causes - first, the very high prices for such cattle during the last half of 1925 and second, to the large corn crop of 1925 in the leading feeding States and low price of corn. This situation caused a strong demand for feeder cattle in the fall of 1925 which coupled with reduced supplies, resulted in higher prices for these. This increased cost of one part of the raw material of feeding offset the lower cost

of grain. Records at the Chicago market show that the receipts of good and choice corn fed cattle have been much larger this year than last especially since about June 1. Cost of production over short periods of time has little if any influence on the current prices of fed cattle. About the only way production costs affect fed cattle prices is through their relation to feeding margins. These margins affect the number fed and hence the supply. But since a seasonal supply once in process of production has to be marketed supply over seasonal periods cannot be greatly changed regardless of profits or losses. Costs as factors in margins influence future supplies and future prices but not present supplies and present prices.

QUESTION: Is there anything that can be done to keep cattle feeders from producing an oversupply of fat cattle which breaks prices to levels that cause heavy losses or at least leave nothing to pay for work, investment and risk?

ANSWER: Undoubtedly an organization of cattle feeders in the leading feeding States which could secure fairly complete detailed information as to cattle on feed and thus be able to give specific advice to cattle feeders would help the situation materially. Cattle feeding is essentially a manufacturing enterprise. The period of manufacture is long, the product is perishable and it must be sold within time limits which are fairly rigid. Hence the element of risk is large. Manufacurers of most other commodities have organizations or trade associations to furnish members information as to supplies and output. Being carried on in such small units cattle feeding is especially in need of such information.

The Department of Agriculture now issues a number of reports on the feeding situation and estimates of cattle on feed. While these furnish useful general information they are not in sufficient detail to adequately cover the situation. Limitation of resources and the inherent difficulties of securing accurate detailed information from feeders themselves prevent further expansion of this service. Efficient Cooperative organization among cattle feeders to secure and use such information would seem to promise results equal to those obtainable by Cooperation among any other class of agricultural producers.

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ANNOUNCEMENT: This concludes the interview with C. L. Harlan, livestock statistician for the U. S. Department of Agriculture. If you have further questions on the subject of adjusting the livestock business send them to this station for reference to Mr. Harlan.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Radio Service
OFFICE OF INFORMATION

PROGRAM .... RELEASE ....

AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST Fri. Nov. 26.

Changes in the Hog Business

ANNOUNCEMENT: Every hog producer is concerned with the probabilities of the future. Hog production is a business that is subject to periodic fluctuations in production and prices. This week C. V. Whalin, Chief of the Division of Marketing Livestock, Meats and Wool, Department of Agriculture, will answer questions put to him at Washington or send them to this station and they will be answered in later interviews. Each Friday at this hour a national economist will discuss current questions of vital interest to farmers. The interview follows:

QUESTION: Hog production has been profitable this year, and I have selected several additional gilts for breeding next spring. Do you think hog prices will stay up, and hog production continue profitable for sometime?

ANSWER: Hog prices have been maintained at high levels during the last two years, Especially so in comparison to corn prices, which have made hog production very profitable. These high prices have been largely due to reduced supplies of hogs and a high degree of industrial prosperity. If production is largely expanded, these prices can not be expected to continue.

Q: Corn prices this year have been low compared to hog prices. Isn't that rather unusual?

A: Yes, corn prices have been rather low compared to 1924 and 1925 prices and especially so, compared to hog prices. This relationship is what made hog feeding so profitable during the past twelve months. The large corn crop in 1925, and the lack of hogs to maintain the usual feeding demand have been important factors in lowering corn prices. During periods of low hog production we usually have relatively cheap corn. However, the size of the corn crop may occassionally alter the relation between corn and hog prices somewhat.

Q: It has always been my experience that when I have hogs to sell they are cheap and when I don't have them they are high. Is there anyway that I can reverse this situation?

A: Evidently you are "in" at the wrong time and "out" at the wrong time. Did you ever consider "changing step" with the majority of the hog producers? It would only mean stocking up at the time others are liquidating, and curtailment when the majority are expanding.

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Q: What did the last survey of farmers intentions to breed for the next pig crop show?

A: According to the summary of the June 1 pig survey, the spring pig crop was 1.2 per cent smaller than in 1925. Farmer's reports indicated that 39 per cent more sows would be bred for fall farrowing than what farrowed in the fall of 1925. Actual farrowings usually fall short of intentions, but with the present profitableness of hog production, farmers intentions are expected to be more nearly carried out this fall. This report indicates slightly fewer hogs for market this winter and spring, and some increase in the late spring and summer when compared to last year.

Q: I usually market my spring pigs in December and fall pigs in June. How does it happen that I usually strike a period of low prices?

A: You evidently follow about the usual practice of the majority of farmers. The bulk of the spring pig crop comes to market during December and January and the heaviest receipts from the fall pig crop usually comes around June. The result is that prices are seasonally low during these periods.

Q: If December and June are usually the months of lowest prices, which are the months of highest prices?

A: April andSeptember are usually the months of highest hog prices.

Q: Are prices always the highest during these months?

A: No, prices are not always the highest, but over a period of several years they average highest during these months. There is naturally some variation in the seasonal periods of high and low prices. Variations from year to year may be caused by farmers holding hogs back and making them heavier than usual, as they did this past summer. The seasonal high and low periods may occassionally be obscured by a strong upward or downward trend in prices,or in other words the cycle obscures them.

Q: I have heard a lot about cycles the last few years. What do you mean by a cycle?

A: Cycle is a more or less technical term that statisticians use quite frequently. In the hog industry we have periods of under-production accompanied by high prices and periods of over-production accompanied by low prices. For simplicity, we may consider that a cycle starts at the low point of production. At this point we have profitable prices. This encourages expansion which finally terminates in over-production with unprofitable prices. Liquidation follows and then low production again. This is a production cycle, that is, we are back where we started. Naturally the price cycle is the inverse of the production cycle. The hog cycle covers a period of 3 1/2 to 4 years. These cycles

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repeat themselves with such regularity and are of such importance that hog producers should follow them closely.

Q: Where are we in the present hog cycle?

A: Hog production as indicated by the pig survey reached the low point of the present cycle with the spring pig crop of 1926 and increased production now is evident. We have now started on the upward swing of the production cycle and if producers expand as they have in the past, following such a favorable feeding relation between corn and hog prices, we will soon be headed for a period of over-production.

Q: How am I to know all of this in advance?

A: The Department of Agriculture puts out semi-annual outlook reports for livestock producers. Such reports are available shortly after the first and middle of the year. The outlook reports are prepared to provide farmers with facts and interpretations of the probable future trends of supply and demand and to aid them in planning for production and marketing.

Q: How can I get the outlook reports?

A: The outlook reports are available by radio, through the press and by mail to those requesting them.

Q: Is it possible for many farmers to plan their production so as to have hogs to market when prices are highest?

A: Yes, it seems possible for more farmers to be well stocked with hogs during years of high hog prices and especially during periods when a favorable feeding relation exists between corn and hog prices. However, it is more difficult for farmers to hit the months of highest prices than to hit the highest years, but an effort to accomplish this is worth while.

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ANNOUNCEMENT: This concludes the interview on "Changes in the Hog Business". If you have other questions direct them to this station for reference to the Department of the Agriculture.

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ANNOUNCEMENT: This concludes the interview on "Changes in the Hog Business". If you have other questions direct them to this station for reference to the Department of the Agriculture.

UNITED STATES DEPARTMENT OF AGRICULTURE

Radio Service

OFFICE OF INFORMATION

PROGRAM AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE Fri. Dec. 3.

ANNOUNCEMENT: Today we bring you a discussion entitled "Fruit Grower Cooperation", in the form of an interview with one of the National authorities on the subject. The following interview with A. W. McKay of the Division of Cooperative Marketing of the U. S. Department of Agriculture, answers many of the fruit growers' questions. Others may be sent to this station or to the Department of Agriculture.

QUESTION: You were telling me recently about the things you considered fundamental for cooperative associations. I should like to know now what cooperation has done for certain groups of producers -- for instance, the fruit growers. How well are they organized?

ANSWER: Last year one thousand two hundred and thirty-seven associations marketing fruits and vegetables reported to the Department of Agriculture, a business estimated at 280 million dollars. Over half of this total was reported from the three Pacific Coast States -- Washington, Oregon and California.

Q: What fruits are sold by cooperative associations?

A: Growers of every important fruit grown in the United States have organized cooperative associations. Many of the cooperatives are the largest marketing agencies handling the commodity in which they specialize. For example, the members of the Sun-Maid Raisin Growers produce approximately 80 per cent of the raisin grapes grown in the United States, and their annual business is about 40 million dollars. The California Fruit Growers Exchange markets 75 per cent of the oranges and lemons grown in California and last year its total sales exceeded 70 million dollars. Apples, grapes, cherries, pears, prunes, peaches, apricots, plums, and cranberries are other fruits which are sold by growers' cooperative associations.

Q: Is cooperation among the fruit growers a new thing?

A: The big fruit associations have been in business about 15 years on the average. The California Fruit Growers Exchange was formed 31 years ago. The California Fruit Exchange, which handles grapes, peaches, plums, and so forth, was formed in 1901; the Florida Citrus Exchange in 1909; the Sun-Maid Raisin Growers in 1912; and the Georgia Peach Growers Exchange in 1923. Cooperative marketing of apples in the Hood River Valley of Oregon

dates back to 1894.

Q: There are many small associations also marketing fruit, I suppose?

A: Yes! Probably 1,000 local associations which serve the growers in a local community. These associations grade and pack the fruit and load it on the cars. Many of them have federated to form a central cooperative sales agency like the California Fruit Growers Exchange --the big California cooperative which I told you did a 70 million dollar business last year.

Q: Then the California Fruit Growers Exchange is made up of local associations?

A: Yes, and so are the Mutual Orange Distributors, another California cooperative marketing oranges and lemons, the California Fruit Exchange, the Florida Citrus Exchange, the Gulf States Produce Exchange, which markets Satsuma oranges grown in Alabama, the American Cranberry Exchange, and others. These cooperatives are federations. Their members are not the individual growers, but the local cooperative associations representing these growers. The California Fruit Growers Exchange, for example, is a federation of 200 local associations.

Q: Who owns and controls the central organization?

A: The local associations do. They hold membership in the central and are represented on its board of directors. In a federation, the locals create the central organization to act as a service agency for them. As a rule the locals grade and pack the fruit; the central organization sells it, collects the proceeds, handles damage claims and other questions with the railroads, conducts advertising campaigns and in general, takes care of all the common problems of the locals.

Q: What are the advantages of having all the fruit sold by one agency?

A: In the first place, the central agency can employ high-class men to represent it in all important markets and give better service than the local associations possibly could. Secondly, this improved service costs less because of the large volume of business transacted. Furthermore, all shipments are distributed in accordance with the needs of the various markets. Whereas a number of local associations selling independently would inevitably, at times, over-supply certain markets while others would be short of supplies.

Q: What do you consider the outstanding things cooperative marketing has done for the fruit growers?

A: The cooperative associations have encouraged the production of

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better fruits, by their system of paying a grower the market value of the grade or quality he produces. They have been the leaders in the standardization of fruit grades. Standard grades prevent waste and give the buyers confidence in the product. They have also improved handling and packing practices and thus have reduced losses due to spoilage of the fruit. This has stimulated the demand for fruit. Furthermore, the large cooperatives have broadened the market for fruit, reduced marketing costs and have developed new markets and new uses for the product.

Q: How have they developed new markets and new uses for the product?

A: The Sun-Maid Raisin Growers, for example, has introduced the familiar five-cent package of raisins; it has promoted the use of raisin bread and has developed foreign markets. Its London branch sales office sold 17,805 tons in 1924-25 and 27,798 tons in 1925-26. By introducing family-sized packages and also by special methods of treating raisins it has further stimulated consumption.

Q: Will the activities of the coops make the consumer pay more for fruit than he would if there was no cooperative marketing?

A: No, because large profits to the fruit growers brings new land into orchards. There is enough good fruit land in the United States to produce much more fruit than can be consumed in this country or exported profitably. There have been large increases in production in the last 10 years. The fruit growers are cooperating to obtain a fair return for their labor and invested capital. They do not expect more than that.

UNITED STATES DEPARTMENT OF AGRICULTURE

Radio Service

OFFICE OF INFORMATION

PROGRAM AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE Fri.Dec. 10.

SUBJECT: HAVE FARM LAND VALUES TURNED THE CORNER?

ANNOUNCEMENT: The subject of our interview with the Agricultural Economist "Have farm land values turned the corner?" is, perhaps, one of the most important questions which folks interested in farm real estate are asking today. It vitally concerns farm owners, tenants on the way to ownership, holders of farm mortgages, bankers, real estate dealers, and a great many others. The following interview with L. C. Gray, Chief of the Division of Land Economics, of the United States Department of Agriculture, answers a number of questions on the farm real estate situation. This is one of the regular Friday interviews with national authorities on questions of this kind.

Q. Have farm land values turned the corner? If not, when will they? What is the outlook?

A. According to the latest available data furnished by our crop reporters throughout the country, farm land values averaged for the United States, had not yet turned the corner on March 1 last. Values at that time had fallen from one-fourth to one-third, from their 1919 peak. This represented a total shrinkage of nearly 17 billion dollars as recorded by the 1925 agricultural census. Each year's drop is less than for the year before. The decline from 1925 to 1926 was relatively slight.

Q. That is for the United States average. But is this true for all sections of the country?

A. No. According to the recent agricultural census of 1925, in a general northeastern section of the country, including Michigan and Wisconsin and extending also into Maryland and the Virginias, the decline in values since the peak has been relatively slight and increases have been recorded in a number of counties. The decline has been small in the three Pacific Coast States, particularly in California; in a group of counties in the Texas Panhandle, in western Kansas, in the mountain counties of western North Carolina and eastern Tennessee; and in Florida, in which areas of larg increases were recorded by the Census. Among the declines in value, Georgia and South Carolina showed about the severest in the country, primarily as a result of the unprecedented ravages of the cotton boll weevil. However, we find that the severest declines took place in the grain and livestock States of the Middle West; the least in the northeastern groups already referred to. An average of the States of the Cotton Belt falls between the two.

Q. What are the reasons for these differences in the decrease of land values.

A. Probably one of the more important reasons for the difference in declines of land values lies in the movement of the prices of the principal products of these regions. For example, the prices and incomes from dairy,

poultry, and fruit and vegetable products of the northeastern States held up the best of any of the major farm product groups. On the other hand, prices and incomes from grain and livestock, averaged lowest of all. Cotton prices and income were hard hit in 1920 and 1921 but recovered. However, in some parts of the South this recovery was more than offset by damages of the boll weevil. On the Pacific Coast continued favorable prices for a number of the more or less specialized products aided in supporting land values although exceptions occurred, as in raisins.

Q. Was not one reason that midwestern land values fell most the fact that they also boomed most during the war?

A. Probably partly, but not wholly. If we define "boom" as the extent to which values rose compared to pre-war levels, then the midwestern cotton belt values boomed most; but after the war did not fall as much as in the grain and livestock States. Apparently it was partly a matter of prices of farm products. Farm land values moved in the same way until at the close of 1919 and early 1920 the greatest increase over pre-war values was found in the Cotton Belt; the next in the Middle West grain and livestock States; and the smallest increase in the northeastern States.

Q. What accounts for increases in the Texas Panhandle and in some of the other areas you mentioned?

A. The Texas Panhandle increases came with a break up of the large cattle ranches into more profitable cotton farms under conditions adapted to the use of machine methods and remarkably free from the boll weevil. In western Kansas there was a shift from grazing into the more profitable raising of wheat. In the mountain counties of North Carolina and Tennessee and in Florida, the increases probably reflect the recent development for recreational and residential purposes.

Q. Where are farm real estate values now, compared with pre-war?

A. Somewhere about the 1917 level, which was some 25 per cent above pre-war.

Q. But all your comparisons have been in terms of dollars. A dollar today is not worth more than about two-thirds of what it was before the war measured by what it will buy. What about values in this respect?

A. In terms of a 100-cent dollar farm real estate values on an average are really worth some 10 to 20 per cent less than before the war.

Q. Then are not farm values way out of line? They cannot stay that way very long, can they?

A. Farm real estate values may come out of this depression, more in line with earning power than before, and again they may stay at less than pre-war in terms of a 100-cent dollar for sometime.

It is needless to say that the mere fact that commodity prices in general are 50 per cent above pre-war does not necessarily make farmers' net incomes 50 per cent above pre-war. On the average, the land is not earning that

much more, as our farmer listeners well know. In the second place land values usually do not move as quickly as prices do, but lag behind both the rise and fall of prices. This may explain why the two appear to move in opposite directions at times, and why values are at present so much lower than prices in general. It is also likely that the relation of value to earning power will be watched more carefully than in the past, at least in some sections of the country.

Q. Is there much buying of farms now?

A. In general dealers report the market is dull although there are areas in which there is more or less activity. We have recently established a system of reports which will give us, each year, the trend in the rate at which farms changed hands, not only by sale, but also by foreclosure and other means.

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ANNOUNCEMENT: This concludes the interview with the U. S. Department of Agriculture on the subject, "Have Farm Land Values Turned the Corner?" If you would like a copy of the report of this interview or desire more information on some other phase of the farm real estate situation write to this station or directly to the Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C.

UNITED STATES DEPARTMENT OF AGRICULTURE

Radio Service

OFFICE OF INFORMATION

PROGRAM .... RELEASE ....

INTERVIEW WITH THE AGRICULTURAL ECONOMIST Fri. Dec. 17

How the United States Warehouse Act is Helping Farmers

ANNOUNCEMENT: Many of our radio audience have no doubt heard about the United States warehouse Act and what it has been doing to help agriculture. Others have not. In the interview which follows, Mr. H. S. Yohe of the U. S. Department of Agriculture, who is charged with the enforcement of this law answers many of the questions which farmers, bankers and warehousemen are constantly asking.

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QUESTION: Mr. Yohe, Why was this United States warehouse Act passed?

ANSWER: Congress felt that it would encourage proper storage, and provide the necessary finances, to enable the farmer to market his crops in an orderly manner. The immediate need out of which the law grew was the cotton situation in 1914.

QUESTION: How does the warehouse Act provide for the adequate financing of crops, awaiting market?

ANSWER: Warehousemen become licensed under the law. The farmer takes his products to the warehouseman for storage. The warehouseman gives the farmer Federally licensed warehouse receipts which he can use as security for a loan.

QUESTION: Who loans the farmer on the basis of Federal warehouse receipts?

ANSWER: Practically any banker.

QUESTION: Does the Government loan money on the basis of Federally lincesed warehouse receipts?

ANSWER: The Government does not loan money direct to farmers. It is possible, however, for farmers' cooperative marketing organizations to borrow money of the intermediate credit banks. The capital stock of these institutions is owned by the Federal Government.

QUESTION: Do the intermediate credit banks acdept Federal warehouse receipts?

ANSWER: They do without exception. In fact they prefer them to any other form of warehouse receipt.

QUESTION: What makes the Federal warehouse receipt so attractive to banker for collateral?

ANSWER: A number of factors. In the first place, only warehousemen may be licensed who are able to meet very definite standards which are specified by the Department of Agriculture. All licensed warehousemen are under the constant supervision of the Department. They must have a financial standing. They must have a proper warehouse. Both the warehousemen and the personnel connected with the management of the warehouse must be competent and honest.

QUESTION: Do we understand that the cotton farmers are the only producers enjoying the benefit of this law?

ANSWER: No. Although introduced as a measure to alleviate the conditions of the cotton farmers, before the law was finally enacted three other commodities were included; namely, grain, tobacco and wool.

QUESTION: What benefits other than the ability to borrow on the basis of warehouse receipts accrue to the farmer who stores his products in Federally licensed warehouses?

ANSWER: Very frequently the farmer enjoys better insurance rates on the goods he stores in Federally licensed warehouses. A 10 to 15 per cent reduction is granted in the southern states on cotton and in certain of the heavy grain producing areas the grain growers also enjoy preferential rates. Not only is more money made available to agriculture but lower interest rates are frequently obtained when the security is a Federal warehouse receipt. Then too, the information as to grade and condition of the product are very valuable to the farmer in making sales.

Question. Do cooperative marketing organizations make use of the warehouse Act?

ANSWER: Yes, a great many of them use Federally licensed houses exclusively.

QUESTION: Have these associations found the law helpful?

ANSWER: Yes indeed! Through the use of Federal warehouse receipts as collateral many of the cooperative marketing associations have found a ready money market at very attractive interest rates. In fact, in many instances the ability to offer Federal warehouse receipts has meant the difference between securing a loan and not securing one. Everybody recognizes that unless money can be se-

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cured to carry the products a reasonable time following harvesting orderly marketing is impossible.

QUESTION: Is a licensed inspector or grader desirable?

ANSWER: By all means. Bankers are more and more insisting on knowing the grade and condition of the products on which they are asked to loan. Why shouldn't they? Grade and condition determined by competent men give the banker reliable information on which to form a conclusion as to the market value of the product. A banker frequently hasn't the time to go to the warehouse and examine the product himself. Beside, a banker at a distant point from the warehouse can't afford to incur the expense and the product can't bear the necessary expense. If the warehouse receipt shows the kind of product, the quantity, grade and condition the distant banker can easily determine from daily market reports what he can safely loan on the product represented by the receipt. That is one reason why Federal warehouse receipts are so acceptable to bankers in distant bankers centers.

QUESTION: Is the statement of grade on the receipt of any value to the farmer who does not want to borrow?

ANSWER: It ought to prove of much value to him because it is determined by a competent man. By knowing the grade the farmer can turn to daily market reports and determine just what his product ought to bring in the market. Grade information permits the farmer to sell his product to best advantage. It should also do away with excessive sampling as practiced in connection with some products.

QUESTION: Can you give a concrete illustration of savings accomplished through grades appearing on receipts?

ANSWER: At a certain licensed warehouse which handles about 20,000 bales of cotton annually all receipts issued show the grade. The buyers of cotton have learned that this grade is correctly determined by a competent man. The result is they buy the warehouse receipts. Each buyer does not sample the cotton before he buys it. He knows the receipts state the correct grade. Even the mills buy the cotton on the basis of grade stated on the receipts. The result is there is but one sampling. This not only does away with excessive sampling but makes it possible to sell more easily.

QUESTION: Suppose the warehouseman in a given community is not licensed, what can the farmer do to get a licensed warehouse receipt?

ANSWER: He should present the subject to his warehouseman and endeavor to have him secure a license. Usually the farmer's banker will be glad to assist him. Warehousemen frequently don't know about the law and the service it permits them to render their depositors. If depositors make a demand on the ware-

houseman he generally is only too glad to give them what they want. The farmer should suggest to the warehouseman that he should write the Secretary of Agriculture for information.

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ANNOUNCEMENT: This brings to a close our weekly interview with the Agricultural Economist. If you have other questions on this subject, direct them to this station for reference to the U. S. Department of Agriculture which sponcers this program.

UNITED STATES DEPARTMENT OF AGRICULTURE

Radio Service

OFFICE OF INFORMATION

AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST Fri.Dec.24.

PROGRAM .... RELEASE ....

ANNOUNCEMENT: New developments in Farm Management are arousing a great deal of public interest. In the following interview H. R. Tolley, authority on this subject in the U. S. Department of Agriculture, puts the spot light on a few of them. If you have other questions send them to him or to this station.

QUESTION: What's new in farm management?

ANSWER: There are several important new developments. One of them is the cotton picker, which may revolutionize the organization of cotton farms. Another is the combine for harvesting grain which is spreading rapidly in the Plains Region, and even as far East as Indiana. It will cheapen harvesting and increase the area of wheat that a given force can handle. Another is the increasing interest in mechanical power, and in large team hitches, which are making it possible for one man to farm more land than ever. Perhaps the most important of the new developments is represented by the insistent demand coming from farmers for information that will enalbe them, at the time they are planning their production program, to know how much increase or decrease they ought to make in the production of each product in order that they may keep their production in line with market requirements.

QUESTION 2 - What has caused this unusual interest in the problem of adjusting production to market demand?

ANSWER: During the war high prices for farm products greatly stimulated production and brought into cultivation some 45 million acres of new land. When the war was over, we found ourselves with a big surplus of land in cultivation, and since that time the prices of most farm products have been low, and in some parts of the country have brought distress to the farmers.

QUESTION 3 - Can this difficulty be remedied?

ANSWER: It can be, at least in part. Farmers are in the habit of adjusting the acreage of all the minor crops. This, in fact, is easily done. Take for instance the adjustment on the potato acreage. A reduction of 10 per cent in the acreage of potatoes when prices are low may bring the price of potatoes up to a satisfactory level. That means freeing 350 thousand acres of land for some other crop. If it is put in one of the major crops such as corn it means an increase of one-third of one per cent in the acreage of corn, which will have a negligible effect on the price of corn.

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QUESTION 4 - What's wrong then if farmers can so easily adjust the acreage of these minor crops?

ANSWER: The trouble is that in making such adjustments farmers have been guided largely by prices at the time they are planning their production program. When prices have been high they have produced too much, when prices have been low they have produced too little.

QUESTION 5 - You expect farmers then to look into the future?

ANSWER: Yes, at the same time we realize that it is difficult for the individual farmer to get together the information necessary for looking into the future very far. But there are others who can do that for him. Public agencies, charged with aiding agriculture, supply information that will enable the farmer, at the time he is planning his production program, to know how much increase or decrease in production of each product is needed, to give a proper balance between farm output and market demand.

QUESTION 6 - What are these agencies, and how is the information given out?

ANSWER: A great many agencies are involved and the information is given out in a great many different forms, and at different times of the year. Some of the agricultural colleges make studies of probable prices for some distance into the future. Some of these colleges issue Outlook statements to the farmers of their State. Cooperative marketing organizations are assisting in this work. An important feature of this service is the Outlook report issued by the Department of Agriculture in each year early in February. It points out the adjustments in production needed in the case of all the leading farm products in order to maintain a proper balance between supply and demand.

Again, during the latter part of March, the Department issues the Intentions report, which shows what farmers are planning to do. This gives the individual farmer a second opportunity to readjust his production program. In addition to these general reports, special seasonal reports are issued, on such products as wheat, hogs, wool, and the like.

QUESTION 7 - How does the individual farmer get this information?

ANSWER: It is spread broadcast by every means of communication available. Radio, telegraph, daily papers, country press, agricultural papers, extension agents, all take part in distributing this information.

QUESTION 8 - Will not seasonal variation in yield interfere with efforts to balance production against market demand?

ANSWER: It will. The best that can be hoped for is to adjust acreage and breeding operations so that, with normal yields, the adjustment will be adequate. This means that when yields are abnormally high, prices will be low, and when yields are abnormally low, prices will be high. When acreage

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and size of breeding herds is stabilized, the fluctuations in production will be greatly reduced, and hence fluctuation in prices will be much less than under present conditions.

QUESTION 9 - Will not changes in market demand have an influence?

ANSWER: Yes. When labor is employed at good wages there will be a demand for a larger volume and better quality of products. When business slackens, the volume of demand will fall off, especially for the higher priced foods. But the probable changes in business conditions are taken into account in the Outlook Report.

QUESTION 10 - How about balancing the output of major products, like cotton, wheat, beef, corn, oats, and hay?

ANSWER: So far as the proper balance between these major products is concerned this may be accomplished by interchange of acreage between the various crops. When the prices of one or more of these major products are continuously or recurrently low, it indicates that agriculture is out of balance with other industries. When production of these major products is below normal, it may be brought up by increasing yields per acre, and animal products per unit of feed, and so on, or by taking new land into cultivation.

QUESTION 11 - Letting land out of cultivation is equivalent to sending farmers into other occupations, is it not?

ANSWER: To a certain extent it is. When large areas must go out of cultivation a considerable number of farmers must pass over into other industries.

QUESTION 12 - This is all very interesting but can we always depend on the Outlook Reports and the other information we get?

ANSWER: The first two years the Outlook Report was issued, which was 1923 and 1924, about 85 per cent of the predictions contained in it turned out to be true. For the years 1925 and 1926, the percentage rose to over 90 per cent. The predictions, therefore, appear to be a fairly safe guide to the producer.

QUESTION 13. - Should the farmer be guided wholly by this Outlook report?

ANSWER: It is only one of the factors in the farmer's problem, though a very important one. He must take his own conditions and resources into account as well as use the information in the Outlook Report.

QUESTION 14. - How about long-time production programs suitable to such enterprises as apples, peaches, and dairying?

ANSWER: The longer it takes for a producing unit to come into production, the greater the likelihood of large over-and-under-production and the more important it is that the farmer, at the time he is planning his production

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program, have reliable information about advisable changes in production. For instance, it takes apple trees 8 to 10 years to come into bearing. During a period of low production and high prices, heavy overplanting may occur without being found out until the trees come into bearing years afterward. But if a farmer knows how much planting, in any one year, is required to keep production properly stabilized, and what farmers in other places are planning to do, he can then avoid serious overplanting or underplanting.

ANNOUNCEMENT: This concludes the interview with the Agricultural Economist -- a regular Friday feature of this station from the U. S. Department of Agriculture. Next week at this period there will be another interview on the subject of Cooperation Among Dairymen. Remember to send any other questions you may have about new developments in farm management to this station for forwarding to the proper authorities at Washington, D. C.

UNITED STATES DEPARTMENT OF AGRICULTURE

Radio Service

OFFICE OF INFORMATION

PROGRAM.........Interview with the Agricultural Economist......... RELEASE Fri., Dec. 31.........

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ANNOUNCEMENT: Today we will continue our weekly custom of interviewing the Agricultural Economist and the discussion will be on the subject of Cooperation among Dairymen. This is an interview with Mr. Chris. L. Christensen, head of the Division of Cooperative Marketing in the Bureau of Agricultural Economics of the U. S. Department of Agriculture.

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SUBJECT: Cooperation Among Dairymen.

QUESTION:--A short time ago you told us something about cooperation among fruit growers. I should like to know whether the dairymen have been successful in marketing their products cooperatively and whether marketing by this means is increasing.

ANSWER: -- Yes. Cooperativesmarketing dairy products have been very successful for years. At least two, the Dairymen's League Cooperative Association of New York, and the Land O' Lakes Cooperative Creameries of Minneapolis are now each marketing over $50,000,000 worth of products annually. The amount of business transacted by these associations increased from $89,000,000 in 1915 to over $535,000,000 in 1925.

QUESTION: -- You were saying that over a half-billion dollars worth of dairy products were marketed cooperatively last year. In what sections of the United States are the associations handling most of this business located?

ANSWER: -- In the Atlantic Coast States as far south as the District of Columbia; in New York, Pennsylvania, and States north of the Ohio River and running westward, including Wisconsin, Minnesota, the Dakotas, Iowa and Nebraska; and also in the Pacific Coast States of Washington, Oregon, and California. Only a very small proportion of the dairy producers of the South market their products cooperatively.

QUESTION: -- Do you know about what part of the total production of milk, butter, cheese and other dairy products are marketed cooperatively in the United States?

ANSWER: -- Only a rough estimate is available but for the whole country probably not over 15 per cent of the fluid milk and 30 per cent of the

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butter and cheese. In some States, as in Minnesota, over 70 percent of the total is handled by cooperative associations.

QUESTION:-- Can a farmers' cooperative organization successfully market milk consumed in the cities?

ANSWER: -- Yes. They have been doing it for the last ten years. These organizations were not very active nor of any great size before 1916. About that time prices of practically everything else had advanced considerably while the prices of dairy products were still low. The farmers were forced to get busy if they were to remain in business. In 1920 the demand for condensed milk and other dairy products to feed armies had fallen off almost overnight and they found themselves without a market and were faced with the problem of finding a market for their product. Since 1916 cooperative organizations of dairymen have grown up and are in operation in New York City, Boston, Philadelphia, Baltimore, Washington, Detroit, Cincinnati, Minneapolis, Los Angeles, and many other larger cities as well as some smaller ones. Most of them do only a small amount of retail business or none at all. In Cincinnati a large organization is carrying on a retail distribution.

QUESTION: -- How do the farmers raise money to start these associations?

ANSWER: -- A large part of them are bargaining associations. They do not own any plants nor pay the farmers directly for the milk but arrange this through the dealers. It takes only a small amount to start, usually provided by a small membership fee, and current expenses are met by a small deduction per 100 pounds taken out by the dealers. A few associations like the Twin City Milk Producers in Minneapolis and the Dairymen's League in New York own and operate plants for receiving and manufacturing the surplus not needed for fluid consumption. A revolving fund for this may be provided by a deduction of possibly 10 or 15 cents per hundred weight which is returned with interest at the end of five years.

QUESTION: -- What is the function of these bargaining associations?

ANSWER: -- Such an association, through its officers or a designated committee, makes contracts with the farmers and dealers for the sale of milk, meets the dealers either in conference or by some other means and fixes the basis of sale and prices paid from time to time. The association may guarantee payment to the farmers on all contracts, adjust any complaints and check up on testing and weighing by the dealers. They lend their efforts in attempting to secure beneficial legislation and work toward the improvement of quality and increasing the consumption of milk and its products, through various means of advertising.

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QUESTION: -- Do producers in territories where dairymen are organized receive more for their product than where they are unorganized?

ANSWER: -- Yes. Both members and nonmembers are receiving higher prices than where no such organizations exist. It would not be fair to compare prices received by members and nonmembers in an organized territory since both are receiving the benefits of higher prices and members have to pay the organization expenses. Should the organization be abolished outsiders too may lose even more in reduced prices. An examination of price relationship, in various areas, between the average received by the farmers and that paid for milk for use in some manufactured product whose market is determined by countrywide conditions, as, for example, condensed milk, will show that there has been a change in the relationships between organized and unorganized territories and that dairymen are receiving higher prices as a result of these cooperative organizations.

QUESTION: -- How does cooperation among dairymen benefit the consumer?

ANSWER: -- The efforts of these cooperatives with a central organization to control quality has resulted in a much larger supply of high grade, standardized dairy products, so that the consumer knows what he is buying. Because this supply of quality product is so much larger than formerly he pays relatively less for the high quality product than he did 15 years ago. The large-scale operations of the big cooperatives enable some of the benefits of cooperation to be passed on to the consumer. The increase in retail prices since the pre-war period has been slightly less than increases to producers even though the quality has been improved.

UNITED STATES DEPARTMENT OF AGRICULTURE Radio Service OFFICE OF INFORMATION

PROGRAM Interview by the Agricultural Economist RELEASE Fri., Jan. 14

COOPERATION OF LIVESTOCK PRODUCERS

ANNOUNCEMENT: To-night we will continue our interview on cooperative marketing with Chris L. Christensen, Chief of the Division of Cooperative Marketing of the Department of Agriculture. Each Friday at this hour a national economist will discuss current questions of vital interest to farmers. The interview on cooperative marketing of livestock follows:

Question: You told me recently about cooperation among the fruit growers and the dairymen. Are the producers of livestock cooperating for the purpose of marketing their cattle, hogs, and sheep?

Answer: A few figures will answer that question. For 1925, the Department of Agriculture has a record of 1,770 active livestock marketing associations whose business for the year is estimated at 320 million dollars.

Question: How do these associations operate?

Answer: First there are the livestock shipping associations located at country points. Some of these serve only one community; others operate at two or more "loading stations" and others cover a county, or an area comparable in size to a county. Good roads make it possible to truck livestock for fairly long distances to central shipping points. Consequently, the county-wide shipping associations are increasing in importance.

The shipping associations assemble the livestock, and load cars for shipment to terminal stockyards. In some instances, they do a certain amount of grading. The shipping associations also receive the money for which the shipments are sold from the terminal agency, and pro rate it among the members who had animals in the shipment.

Question: Is all livestock for market shipped to the stockyards?

Answer: In some cases, cooperatives are shipping and selling direct to packers. This system of marketing is growing, but its extensive use by the cooperatives depends on the development and use of livestock grades, and the ability of the associations to make mutually satisfactory business arrangements with the packers.

Question: Are there any cooperatives handling livestock in the terminal markets?

Answer; Yes, indeed. Twenty-five livestock cooperative commission companies sold 190,000 cars in 1925. These cooperative agencies receive shipments of livestock from shipping associations and producers. They unload the animals, sort and weigh them, and sell them to packers and other buyers operating in the stockyards.

Question: What are the advantages of having cooperative agencies in the terminal markets?

Answer: Sales service at cost; the competition in the markets of a producer-owned agency and the advantages that come from personal attention to the producer's interests by his own agency. Furthermore, some of the terminal cooperatives are buying cattle and lambs in quantities, from the range States, for sale to their members who are engaged in the business of fattening livestock. This assures them a good grade of feeder stock and the savings in costs, which come from large-scale buying.

Question: What part of the business of the terminal cooperatives comes from the shipping associations?

Answer: Approximately two-thirds.

Question: You said the total business of the livestock marketing associations was 320 million dollars in 1925. Is the business that is handled by both shipping associations and terminal associations counted twice in making up this figure?

Answer: No; only once, all duplications have been eliminated; 320 million dollars worth of livestock was sold by cooperative associations in 1925. Some of it passed through both shipping and terminal associations; some was shipped by producers direct to the terminal associations; and another portion was sold by the shipping associations through private commission companies or direct to packers.

Question: Where are the livestock shipping associations to be found?

Answer: According to reports to the Department; Iowa leads with 334 associations; Minnesota is second with 300. Over 1,000 of the total number are found in the seven West Nort Central States - Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska and Kansas. There are about 675 in the five East North Central States.

Question: Are the shipping associations formed on the same plan as cooperatives handling other commodities.

Answer: Many of them are small unincorporated organizations and do not have contracts with their members. Investments in buildings and equipment are comparatively small. However, the tendency now is toward larger associations which are incorporated and, in many instances, have definite contracts with their members. Some shipping associations have an annual business exceeding a million dollars. The terminal market livestock associations, of course, are incorporated. Many of them do more business than any single agency on the same market, and have refunded to their members, savings in marketing costs, amounting to $50,000 or more annually.

Question: But do they follow the same cooperative principles as other associations in their dealings with their members?

Answer: Yes; the associations are controlled by their members, and are operated to give them efficient marketing service. Each member gets his share of the price received for the livestock less the actual cost of doing business. There are principles of cooperation which are found in all types of associations.

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ANNOUNCEMENT: This brings to a close the regular Friday interview with the agricultural economist. If you have further questions in cooperative marketing send them to this station for reference to marketing authorities of the U.S. Department of Agriculture.

UNITED STATES DEPARTMENT OF AGRICULTURE Radio Service OFFICE OF INFORMATION

PROGRAM Interview by the Agricultural Economist RELEASE Fri., Jan. 21.

SUBJECT: THE PROSPECTS FOR COMMERCIAL VEGETABLE PRODUCTION.

ANNOUNCEMENT: The public has been educated to the value of fresh fruits and vegetables in the dietary and probably most of those in the radio audience are using a great many more fresh vegetables all the year round than they did ten years or even five years ago. Both producers and consumers have noticed that the prices of these commodities vary greatly from month to month, sometimes from week to week and from day to day and that the prices of some fluctuate much more rapidly than do the prices of others. Our interview with the Agricultural Economist today shows briefly why some of these things are so. Today we are dealing with vegetables exclusively. In a later interview (or next week) we may ask him to explain why the fruit market is so much more stable than the vegetable market and the difference, from the farmer's point of view, between commercial fruit production and commercial vegetable production. The following interview is with Mr. Wells A. Sherman, Chief Marketing Specialist of the Bureau of Agricultural Economics, U. S. Department of Agriculture:

Q. What is the prospect for the commercial vegetable grower for 1927?

A. No one can tell, because the prospect for any one vegetable or for any one district may change over night. Even if we could know the acreage which will be planted we would have no more than a hint as to the size of the crop. We would not know whether prices would be high or low.

Q. Why is the prospect for vegetables so much more uncertain than for grains or livestock?

A. Because many vegetables grow and mature within a very short time. A single frost, a very few days of heavy rainfall or of extreme heat or a dry spell of even moderate length may ruin a vegetable crop when a grain crop alongside would show little injury.

Q. Why cannot the commercial truck grower meet these risks by making several plantings of each crop and so extend his marketing over a longer season?

A. Successive plantings of many vegetables are good for home gardens and often for truckers who sell in a nearby market and expect to meet the competition of several distant regions in turn, but the large scale vegetable grower who ships many hundred miles to market usually has a short planting and marketing season. This is because we have so many commercial districts competing in the markets that each can maintain its advantage

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for only a short season on each crop before it is crowded out by another district nearer the markets or with fresher supplies. Remember that, broadly speaking, we have had a surplus of fresh vegetables produced for the past several years. We have had a buyer's market much of the time and the last of the crop is frequently not worth harvesting.

Q. You say we have had a buyer's market. Does that mean that consumers cannot expect any lower prices in the future than they have had in recent years?

A. They cannot expect lower potato prices than those which prevailed in the East two years ago. Last year and this year potatoes are relatively high. Two years ago they brought the farmer just enough to induce him to haul them to the station. They could not be cheaper and be shipped at all. One by one most of our vegetables have touched bottom in this way during recent seasons. Sometimes the smaller sizes of California and Colorado lettuce have not been worth harvesting, packing and freight charges to Eastern cities. Tomatoes, cucumbers, string beans and other vegetables from the Gulf States have each had their periods when prices did not pay marketing expenses.

Q. Will these regions plant as large truck crops this year as in the past if prices have been so poor?

A. They probably will plant more. Cotton is very low and many farmers will try a few acres of some other money crop. Truck crops are grown quickly and are sure to bring in some ready money. The South needs the money. Prices often vary widely within a few days. If the prices are good for the first half of a cabbage or tomato crop it may pay the farmer to grow it even if the last half cannot be harvested at a profit.

Q. So you can say nothing positive about supplies or prices for the near future?

A. Oh yes, We know that there are some 34,000 acres of lettuce growing today in the Imperial Valley of California. Part of it is already moving to market. Unless something unforeseen happens the smaller heads must sell at wholesale for very little more than marketing costs. The growers probably must be content with what profits they can get from the large heads. There is probably a larger acreage of spinach in Texas than ever before. The earlier fields are now being cut. It looks as though there will be plenty for everybody for the Norfolk, Virginia, section will ship large quantities as usual. The Department will issue a formal outlook report for 1927 within a few weeks which will give us the latest forecast on the acreage and prospective production of several of these winter truck crops.

Q. Why do the farmers in Imperial Valley and Texas dare to plant lettuce and spinach on such a large scale when you say the hazards of truck growing are so great?

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A. In the first place, these and many other areas of the far West and Southwest depend upon irrigation instead of rainfall. So the danger of drought is removed. Second - It will be so long before the truck growing areas near the big cities of the North have any lettuce or spinach of their own that the Southwest can make several plantings and extend these two crops over an unusually long season. If a hard freeze hurts one planting others earlier and later take its place and the later plantings bring higher prices on a bare market. The long, mild winter, free from severe frosts and from hot weather enables these southwestern areas to grow many hardy truck crops with a minimum of risk, but crops which can stand no frost like string beans, cucumbers, tomatoes, and others, are planted in small quantities until the danger of frost is believed to be past. This is true also of Florida and the other Gulf Coast States and explains why these vegetables are never really cheap during the winter season although a few are shipped every month in the year from outdoor plantings.

Q. One more question. Do the losses of truck crops by decay on the road or in the market affect prices seriously?

A. In the long run these losses result in very little increase in retail prices. Usually, but not always, it is the stuff of poor quality or low grade which rots in transit. Methods of icing the products and refrigerating the cars are so well perfected that sound vegetables are shipped across the continent with little loss. Now I have one closing statement which may give you the only new idea you will get from this interview. We do not owe our supply of fresh vegetables from the Gulf and Pacific Coast States to the invention of the refrigerator car as is popularly supposed but to the invention of cheap artificial ice. The refrigerator car operated for years between Chicago and New York, hauling meats, dairy products and fruits, but did not bring anything from the South or far West because there was no natural ice at the starting point. The very next year after artificial ice plants were built in Florida and Louisiana the refrigerator cars were sent into those states to start the long-distance movement of truck crops to market.

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ANNOUNCEMENT: This concludes the interview with the U. S. Department of Agriculture on "The Outlook for Commercial Vegetable Production." If you would like a copy of the Outlook Report to which the Agricultural Economist referred and which forecasts the general trend of agricultural production of all kinds during 1927, mail your request to this station or directly to the Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C. Be sure to ask for the Agricultural Outlook for 1927.

UNITED STATES DEPARTMENT OF AGRICULTURE Radio Service OFFICE OF INFORMATION

PROGRAM INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE Fri. Jan. 28

Subject: "CHANGES IN THE DAIRY INDUSTRY".

ANNOUNCEMENT: Last week the Agricultural Economist gave you some of the interesting highlights with respect to the commercial growing of vegetables and the possibilities in the future for this very necessary part of agriculture. Today he will discuss the dairy industry and some of the new changes that have been going on which have enabled the industry to keep pace with the ever increasing demand. The following interview is with Mr. Roy C. Potts, In Charge of the Division of Dairy and Poultry Products of the Bureau of Agricultural Economics of the U. S. Department of Agriculture.

Q. As you look back over the past few years what are the outstanding changes in the dairy industry?

A. One of the notable changes which has taken place is the material increase in the production of all classes of dairy products. In the case of butter, for example, the production in 1925 was 1,361,000,000 pounds, almost twice that of seven years previous. Other dairy products show increases also, although not so great as butter.

Q. How is this big increase in butter production explained?

A. By increases in population and in per capita consumption. In 1918 the average consumption of butter per person in the United States, was 14 pounds. In 1925 this had increased to 17 pounds. Cheese consumption increased during the same period also, from 3 pounds to 4-1/4 pounds per capita, and ice cream from a little over two gallons to almost three gallons per individual. There was a very large increase in the per capita consumption of milk. It jumped from 43 gallons in 1918 to 54-3/4 gallons in 1925.

Q. Why should there have been such increases in the use of dairy products?

A. Briefly, there are several prominent reasons why consumption has increased. In the first place, as the result of a great deal of educational work, there is a better realization of the value of dairy products in the diet. Children have been taught the value of good health and the part which milk plays in maintaining health, and they have learned to like milk. They frequently have opportunity to drink milk at school as well as at home. A further incentive for increased consumption is a better quality product than was provided consumers a few years ago. The consumer unconsciously uses more of any food which he or she likes, but aside from this, there is also a willingness to spend more freely in purchas-

ing commodities where quality is assured. The purchasing power of the oonsumer is still another element of influence, and it is an encouraging condition for producers of dairy products to note that the public has spent rather freely in buying butter and milk, even at the high prices which have recently prevailed

Q. Will producers be able to supply local demands for dairy products in the near future?

A. Probably so, due to the changes and advances which have been made in transportation and marketing methods.

Q. What are some of these changes to which you refer?

A. Refrigerator car service from producing sections to distributing markets, the auto truck, good roads, the milk tank truck and the railroad tank car.

Q. What is meant by tank cars?

A. These are glass lined steel tanks mounted on railway trucks. Different types have been designed, but a common type now in use has two compartments, one in each end of the car. The glass lined construction of the car permits of thorough cleaning and sterilization.

Q. Is this means of transportation going to revolutionize the market milk industry?

A. Probably not in the very near future. In order to use tank cars, a dealer must handle a large volume of business, because of the high cost of using the equipment, and must have a source of supply in the producing section which will provide a car load, for the tank car can not be successfully used in a pick-up service.

Q. What about these long distance shipments in tank cars?

A. It can be done. Milk has been successfully shipped from Wisconsin to Florida, but the extent to which such business can be developed depends upon cost, The matter of inspection is also an obstacle, as some city health departments will not accept the inspection made by local authorities in the distant State where such supplies might originate. New York City, for example, will not accept Wisconsin inspection, and since it is impractical for New York City inspection to be located in Wisconsin, the result is that tank car shipments from Wisconsin to New York City can not be made.

Q. Is it likely that Federal milk inspection will some day overcome this objection?

A. That is a development of the distant future, if it ever comes, and much work will have to be done prior to the adoption of such a plan. There is a considerable lack of uniformity in detailed standards of milk quality for different cities. Of course, there is a Federal butter inspection service, but the marketing of butter and the marketing of milk for city trade are two widely different things.

Q. Do the same producing sections supply milk for city consumption and for butter manufacture also?

A. Not usually, because these two outlets cannot compete with each other. Milk for city trade is of greater value than milk or cream for butter making. It is more expensive to produce milk for city trade on account of the dairy farm having to meet more stringent sanitary requirements.

Q. The demand for market milk increases forces butter manufacturing plants in the territory out of existence. Is such the case?

A. It is. New York State is the outstanding illustration of this. Butter production in New York dropped from 25,000,000 pounds to 16,900,000 pounds between 1922 and 1925, and cheese production from 47,700,000 pounds to 38,000,000 pounds. These changes, however, are not an indication of changes in New York's total milk production. Instead they reflect the diversion of milk from manufactured products to the fluid milk trade.

Final Announcement.

This concludes the interview on the "Changes in the Dairy Industry" If there are further inquiries with reference to the marketing of dairy or poultry products, mail your inquiries to this station or directly to the Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C.

UNITED STATES DEPARTMENT OF AGRICULTURE

Radio Service

OFFICE OF INFORMATION

PROGRAM Interview by the Agricultural Economist RELEASE Fri., Feb. 4.

Cooperation Among Grain Producers

ANNOUNCEMENT: To-night we will continue our interview on cooperative marketing with Chris L. Christensen, Chief of the Division of Cooperative Marketing of the Department of Agriculture. The interview this week deals with the cooperative marketing of grain. Please forward your questions to Mr. Christensen at Washington or send them to this station and they will be answered in later interviews. Each Friday at this hour a national economist will discuss current questions of vital interest to farmers. The interview follows:

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Question: You were telling us recently of cooperation among livestock producers. What have the grain growers been doing in cooperative marketing?

Answer: They have been marketing grain in a cooperative way since 1886. They have formed two principal types of organizations; the local farmers' elevator associations and the regional organizations called pools.

Question: Why were these local elevator associations organized?

Answer: Chiefly to counteract alleged unfair practices and unsatisfactory prices of the private local elevator companies.

Question: About how many farmers' elevators are in operation at the present time?

Answer: The Department has records of 3,338 up to December, 1925. During that year our records indicate that they handled about 700 million dollars worth of grains.

Question: How many farmers are interested in these local associations?

Answer: Approximately 520 thousand farmers are members of farmers' elevator associations at the present time.

Question: What services do these farmers' elevators perform in the marketing of grain?

Answer: They receive, weigh, and grade the farmers' grain and store it for him or buy it from him in accordance with his wishes. The assembled carloads of grain are then either sold locally or they are consigned to terminal markets for sale. Small margins taken at the time of buying the grain from farmers are used to defray the expenses of operation. Dividends are usually paid first on stock and then some elevator companies distribute any further profits in the form of patronage dividends.

Question: What improvements in grain marketing have farmers brought about by their elevator companies?

Answer: Three outstanding benefits have been derived:

(1) They have helped to correct abuses and unfair practices at local stations.

(2) Farmers' elevators have given grain farmers a competitive price-making agency in their local market, which is owned and controlled by themsselves and operated usually at cost.

(3) These farmers' elevators have removed many of the causes for complaint among farmers with their local marketing facilities.

Question: What are farmers' objections to the existing methods of selling?

Answer: They are mainly three in number and all are of a controversial nature. First, many farmers are opposed to certain practices on the grain exchanges through which their farmers' elevators sell grain. They maintain that speculation is detrimental to the producers' interests and some oppose future selling and hedging. Second, they believe that because of independent selling and competition with one another, farmers' elevators have failed to exercise the influence on prices which their combined volume has made possible. Third, many argue that more grain is forced upon the market during the few months following harvest than can be sold to the advantage of the producer.

Question: How do farmers feel that the existing methods can be improved upon?

Answer: By the organization of regional or State-wide cooperative associations commonly known as grain pools.

Question: What is grain pool?

Answer: It is an organization of grain producers to which is entrusted the complete control of the marketing of grain produced by its members, the condition of payment being that all who deliver grain of like grade and quality shall receive the same basic price.

Question: How can a grain pool improve the method of marketing and return a better price to the producer?

Answer: The advocates of the pooling method believe that large volume permits them to sell to good advantage; that through large volume they can eliminate competition and reduce costs; that the pool can sell a large part or all of its grain direct to mills and exporters; that because of adequate financing it can market grain more uniformly throughout the year, and thus have a stabilizing effect on prices; while at the same time the pool can make an advance to the grower sufficient to finance him until the final payment is made.

<u>Question:</u> What grain is handled by these pools?

<u>Answer:</u> Wheat is the principal grain handled and for that reason they are known as wheat pools. But that is another subject for discussion later, perhaps. For the present I must say "Good night."

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UNITED STATES DEPARTMENT OF AGRICULTURE
Radio Service
OFFICE OF INFORMATION

PROGRAM INTERVIEW WITH THE AGRICULTURAL ECONOMIST. RELEASE Fri. Feb. 11.

The Outlook Report

(NOT FOR PUBLICATION)

ANNOUNCEMENT: Tonight the Interview with the Agricultural Economist will be a discussion of one of the most important reports issued by the Department of Agriculture in the course of the year, I refer to the Outlook Report prepared in the Bureau of Agricultural Economics.

In order to present to you first hand information on this report the following interview is with Mr. Lloyd S. Tenny the Chief of the Bureau of Agricultural Economics of the U. S. Department of Agriculture.

(Omit those questions which are not applicable.)

* * * *

Question: Mr. Tenny, just what is the purpose of the Outlook Report?

Answer: The Outlook Report is designed to provide farmers with facts, and interpretations of the probable future trends of demand and supply for agricultural products, and to aid them in planning intelligently for production and marketing.

Question: Well, on the face of it that looks like a fine thing for the farmers and should be worth a lot to them. Just what is the general situation as you see it at this time?

Answer: The conditions seem to point to a favorable year for the livestock producers in 1927 but, with an average season, we may look for a continuation of relatively low returns from most cash crops unless there is a reduction in acreage.

Question: It looks to me as though most people never have had all they wanted of any of the things the farmers produce. Would not the domestic demand enlarge to take care of the farm products?

Answer: There does not seem to be any factors in sight that would have a tendency to increase domestic demand beyond the present condition.

Question: Well then, what about selling more of our farm products to foreign countries. Don't you think that would be a good thing to do?

Answer: The United States does ship large quantities of its farm products abroad each year, and with the possibility of an improved purchasing power in some of the foreign countries, there may be an increase in the demand for farm products. On the other hand it is probable that there will be an increase in the production of breadstuffs, fruits, and animal products in many of the foreign lands so that the demand for our exportable surpluses may not be as great as formerly.

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Question: Are not the costs of producing farm products one of the things that make it hard to make farming pay? Farm labor and costs of machinery must be mighty important items to consider.

Answer: The questions of costs is certainly very important. As to farm labor it looks as though there may be a slightly larger supply of labor particularly in regions near the large industrial centers. No material changes in the price of farm machinery and building materials may be expected. The wholesale prices of fertilizers are lower than last year, however.

Question: I have read so much lately about the cotton situation that I am somewhat at sea about it. Just what is the condition, Mr. Tenny?

Answer: Well, that is a mighty big question and it can't be answered off hand but it is clear to those who have studied the situation that the production must be drastically curtailed this coming season if the balance between consumption and supply is to be restored, at remunerative prices to the growers. With average yields it will take a reduction of about 30% in acreage to give the growers the best gross returns for the 1927 crop.

Question: I have read recently that the farmers have planted more wheat than they did a year ago. Is that a wise thing to do? And then what about corn?

Answer: Hard Spring and Durham wheat growers can scarcely expect to receive as much for their grain in 1927 as in 1926 especially if production should be materially increased. As to corn; The demand for corn in 1927 is expected to be little if any greater than in the past year. There will probably be more corn grown in the South, so that, with no increase in demand, corn growers are faced with a prospect for lower prices unless acreage is substantially reduced.

Question: Why, I thought that most of the corn raised was fed to hogs in this country. What about the cattle and other livestock the farmers are raising? Is there a good season ahead for them?

Answer: The present prices can not be maintained unless livestock production in this country is held at about the present levels, allowing, of course, for the increases in population. Probably fewer beef cattle will be marketed in 1927, and if the demand holds steady, the prices for both slaughter and feeder cattle will be somewhat higher than in 1926. Farmers producing hogs have a favorable outlook this coming year. The supply for market, will be little, if any greater than last year, and domestic demand is expected to continue strong. Prices prevailing now can be continued through 1928, only if farmers hold down hog production to the level of the last two years.

Question: What are the prospects for the dairymen, Mr. Tenny?

Answer: The dairy industry is on a stronger basis than a year ago. Dairymen are likely to have a moderately favorable spread between the cost of feeds and the price of dairy products.

Question: I find that the prices for eggs and poultry is still high in the stores. The poultry raisers are making money, I should think.

Answer: Egg and poultry raisers in most sections of the country may expect a fairly satisfactory year although perhaps not so profitable as 1926. A moderate increase in egg production and no decrease in poultry marketings is expected.

Question: What does the outlook report say about the potato business?

Answer: Potato growers should guard against the danger of overplanting and should watch the acreage being planted in competing states.

Question: Except for oranges I have noticed that fruit has been cheaper than usual this past fall and winter, Is that condition to continue?

Answer: The tendency is to produce more fruit, but expansion of fruit acreage would not be justified except under unusually favorable conditions. The apple industry seems to be approaching a more stabilized condition, and with an average crop prices, will undoubtedly be higher next season. It would be unwise to plant commercial peach orchards in the south with so many young trees there coming into bearing. Grape production is increasing and new vineyards should not be set out except where the conditions are exceptionally favorable.

Question: With the practice of smoking apparently increasing the tobacco growers must be expecting rather prosperous times, don't you think so?

Answer: It is true that the demand for cigarette type tobacco is increasing but not enough to call for heavily increased acreage. On the other hand the growers of the dark fired and air cured tobaccos are faced with increased foreign competition in a contracting market. Growers of flue cured kinds should guard against over production.. Quality rather than quantity is needed in the cigar leaf districts.

Question: Just one more thing Mr. Tenny, and that is about sugar. Everybody seems to be eating lots of candy these days and the sugar folks must be making lots of money, in the cane growing sections and the sugar beet states.

Answer: Well, that is a pretty complicated question to answer, for you see the sugar business is a world business and we raise only a small part of the sugar that we use in this country. Prices seem to be on the up grade and world production probably below that of last year, and as you say, the consumption is increasing.. Growers in well established sections where adequate yields can be expected will probably find it to their advantage to increase their acreage up to the capacity of the factories to handle the crop, that is if satisfactory contracts can be secured.

Well that is certainly a most interesting way to look at the farming business. Almost like getting a peep into the future.

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ANNOUNCEMENT: Copies of the complete Outlook Report can be secured by addressing the . Bureau of Agricultural Economics of the U. S. Department of Agriculture.

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UNITED STATES DEPARTMENT OF AGRICULTURE

Radio Service

OFFICE OF INFORMATION

PROGRAM ... RELEASE ...

INTERVIEW WITH THE AGRICULTURAL ECONOMIST Fri.Feb.18,1927.

NOT FOR PUBLICATION

ANNOUNCEMENT: This evening the "Interview with the Agricultural Economist" deals with the subject of livestock. This interview with Mr. C. L. Harlan, Livestock Specialist of the Bureau of Agricultural Economics will be of much interest to the raisers and handlers of livestock and meats.

THE LIVESTOCK SITUATION

QUESTION: I understand that the Department of Agriculture makes an estimate of the number of the various species of livestock on farms January 1 each year. What does the estimate for 1927 show as to changes in livestock numbers in the United States during the past year?

ANSWER: According to our estimate issued February 1, the total number of cattle, horses, mules, sheep and hogs on farms on January 1, 1927, was 339,000 head greater than one year ago. The increase was in the numbers of sheep and hogs, which were largely but not wholly offset by decreases in cattle and horses. In round numbers, hogs increased about 500,000 head and sheep about 2,100,000 head; horses decreased about 450,000 head and cattle decreased 1,600,000 head. Mules did not change.

QUESTION: Were these changes fairly uniform over the country, or did different regions show different tendencies?

ANSWER: A decline in horse numbers was shown in practically every state, and the amount of the decline was fairly uniform. Horse numbers will continue to decline for some years at least, for colts born every year are entirely inadequate to replace the older horses that die every year, and the percentage death rate of horses is increasing as the average age increases. The number of colts born each year for some years past has only been sufficient to maintain about half the present number of horses.

Cattle numbers decreased in most states. This decrease in all cattle was accompanied also by a decrease in milk cows in many states. Texas and Oklahoma were the only important surplus beef cattle states that had increased numbers. Unusually favorable feed conditions in these states, accompanied by a large calf crop, and a good local demand for stock cattle which materially reduced market shipments, resulted in some increase. The most marked decrease in cattle was in the North Central States, especially in those west of the Mississippi River. Marketings from these states were very heavy in 1926 and much in excess of calves raised and in shipments from other areas. In the four states west of the Missouri River near crop failure over large areas forced a heavy marketing of cattle during the summer and fall.

A decrease in milk cow numbers was shown in nearly all of the important dairy states of the East and Middle West. In the South milk cows increase. There was little change in the far western states. The decrease in numbers of milk cows was caused, partly by the campaign to eradicate bovine tuberculosis, but largely by the failure to keep a sufficient number of heifer calves for several years, when dairying was less remunerative than during the past year. The number of yearling heifers and heifer calves being kept for milk cows increased in 1926.

QUESTION: You have told us about the kind that decreased - how about the increases?

ANSWER: As already indicated, the most notable increase was in sheep numbers. There were increases in most of the important sheep growing states - both east and west. The most marked increase was in the Southwest. In Texas and New Mexico exceptionally large lamb crops were raised last year. In the north central states, increases in breeding flocks were also accompanied by increased numbers of western lambs on feed.

The hog population for the entire United States increased about 500,000. Numbers in the north central states - the area that produces nearly all of the market supply, decreased about 600,000 head. Nearly all other regions had increased numbers, the most notable being in the South.

QUESTION: How about livestock values, were they any higher at the beginning of 1927 than at the beginning of 1926?

ANSWER: The total value of all livestock was higher January 1 this year than last. With horses, numbers decreased, and average value per head also decreased $1.65 per head. With mules, numbers did not change but value per head declined over $7. With hogs, on the contrary, numbers increased and both value per head and total value increased, the value per head increased 75 cents.

With cattle, numbers decreased but average values increased from $38.73 per head to $42.26 per head with a resulting increase in total value. A considerable part of this increase in average cattle values was due to the increase in the value of milk cows from $57.36 to $62.41. With sheep, numbers increased, but the decline in value per head from $10.51 to $9.70 resulted in a decrease in the total value.

The supply of meat animals, cattle, hogs and sheep, at the beginning of 1927 was better balanced with normal consumer demand for meat than at any similar date since the war. The outlook for these during the next year is quite promising. With work stock, horses and mules, the situation for the next year is not such as to promise much improvement in prices from the present very low level.

This concludes the interview. Additional information can be obtained direct from the Bureau of Agricultural Economics at Washington.

UNITED STATES DEPARTMENT OF AGRICULTURE Radio Service OFFICE OF INFORMATION

PROGRAM AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE Fri. Feb. 25.

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NOT FOR PUBLICATION

SUBJECT: New Progress in Cooperation

ANNOUNCEMENT: The development in the cooperative movement is of interest to an ever increasing number of people. We are glad to have this opportunity to give to the radio audiences an authoritative acount of some of the progress that is being made in the cooperative movement, the effect of which is being felt in practically every phase of American business life. In this interview Chris L. Christensen in charge of the Division of Cooperative Marketing, U. S. Department of Agriculture, answers some of the questions that have been in the minds of many people.

* * * * * *

Question: Is it true, Mr. Christensen that there has been a considerable increase in the business and membership of cooperative associations?

Answer: Yes. Since 1915, the number of cooperative associations have more than doubled. The total volume of cooperative business for 1925 was $2,400,000,000, almost four times that in 1915. Likewise there was an increase in membership of cooperative associations in the same time from 651,000 to more than two million.

Question: Doesn't such an increase in cooperative business bring about many changes in methods and practices of cooperative marketing?

Answer: Naturally such an increase calls for improved facilities. Early efforts in cooperation consisted largely in the formation of local associations--formed to provide better community services than the farmers were getting from private dealers. These locals have been successful to a certain extent. There are, however, certain marketing problems with which locals can not cope successfully.

Qeustion: What are some of these problems and how have they been met?

Answer: Probably the most important one is the distribution of the products to the various markets. Competition between the associations shipping the same commodity, has a bad effect on the market. Acting alone the associations were unable to regulate distribution or cope with the problems of storage, marketing, finance and transportation. The stimulation of demand, and the development of new uses andnew outlets for the produce also made it advisable to develop large federations of local associations. Within the last six years there has been a marked growth of large centralized associ-

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[illegible]: **[illegible] Progress in Cooperation**

[illegible]: The development in the cooperative movement is of interest [illegible] ever increasing number of people. We are glad to have this opportunity [illegible] to the radio audience an authoritative account of some of the [illegible] that is being made in the cooperative movement, the effect of which is [illegible] felt in practically every phase of American business life. In this [illegible] Chris L. Christensen in charge of the Division of Cooperative [illegible] U. S. Department of Agriculture, answers some of the questions [illegible] in the minds of many people.

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Question: Is it true, Mr. Christensen, that there has been a considerable increase in the number and membership of cooperative associations?

Answer: Yes. Since 1915, the number of cooperative associations [illegible] more than doubled. The total volume of cooperative business [illegible] $2,[illegible],000,000, almost four times that in 1915. Likewise there was [illegible] increase in membership of cooperative associations in the same time from [illegible],000 to more than two million.

Question: Doesn't such an increase in cooperative activity bring about [illegible] changes in methods and practices of cooperative marketing?

Answer: Naturally, such an increase calls for improved [illegible] efforts in cooperative marketing [illegible] in the [illegible] tions—[illegible] to provide [illegible] community services that [illegible] [illegible] [illegible] [illegible]

Question: What [illegible] problems [illegible]

Answer: Probably the most important [illegible] distribution of [illegible] to the various markets. Competition between the [illegible] associations [illegible] quantity, has a bad effect on the market. [illegible] along the [illegible] to regulate distribution or cope with the [illegible] handling, storage and transportation. The stimulation [illegible] [illegible] of new outlets for the products [illegible] [illegible] large federations of local associations. [illegible] [illegible] a marked growth of large centralized [illegible]

ations, of which the cotton cooperatives are typical.

Question: Do these federated and centralized organizations control a very large percentage of the cooperative business?

Answer: At the present time, about one-third of the cooperative business of the country is transacted by 100 large associations. Five or six have an annual business of approximately 50 million dollars each, and some 150 are in the million dollar class.

Question: I should think the Federal Government would be very much interested in furthering the movement. What is being done?

Answer: In 1926, Congress approved the Cooperative Marketing Act which created a Division of Cooperative Marketing in the Department of Agriculture and appropriated funds to expand greatly the work of the Department in cooperative marketing.

Question: How will this new Division serve the cooperative associations?

Answer: Congress has made it the business of the Division which it has created, to assist in the development of sound and progressive cooperation; to promote efficient operating practices by the associations; and to disseminate information regarding the principles, practices and possibilities of the movement. The Act further provides for the employment of trained commodity specialists to carry on investigational and service work.

Question: Have any plans been made to carry the work further along in order to reach the membership?

Answer: Yes. An informed and loyal membership is essential to the successful conduct of a cooperative marketing association. The Division feels that an educational program is necessary and will be of real value to the movement. Short-time cooperative marketing schools will be conducted jointly with the agricultural colleges and cooperative associations of the various states. These schools will be designed to equip the members, directors and employees of the associations to carry on more efficiently the work in which they are engaged.

Question: You spoke a minute ago of the commodity specialists employed by the Division. Just what is the nature of their work?

Answer: These men are thoroughly familiar with their particular commodity. They are men who have had experience in the marketing of livestock, or wool, or cotton, or grain, who know the problems of the cooperatives and the work of the Department, and who, it is planned, will form a contact between the associations and the research agencies that can be of service to them.

Question: What, in your opinion, are the major trends in cooperative marketing at the present time?

Answer: There is a decided trend toward better business methods, and an informed membership. These are two fundamentals of cooperative marketing. Furthermore, there is a closer contact between the cooperative associations and research and educational agencies. The associations are beginning to realize that the Colleges and the Department are better equipped than ever before to render invaluable assistance.

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ANNOUNCEMENT: This concludes the interview on cooperative marketing, a regular Friday feature to this station from the U. S. Department of Agriculture.

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UNITED STATES DEPARTMENT OF AGRICULTURE Radio Service OFFICE OF INFORMATION

PROGRAM AN INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE Fri. Mar 4.

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NOT FOR PUBLICATION

THE FARMER AND THE UNITED STATES WAREHOUSE ACT.

ANNOUNCEMENT: From time to time many farmers wanting to secure loans on their products have been told by their bankers that they would let them have the money if Federal warehouse receipts were given as security. So that the farmer may know just what a Federal warehouse receipt is and how to get one, we have asked Mr H S Yohe, who is connected with the U. S. Department of Agriculture, and who administers the law under authority of which such receipts are issued, to answer some questions which will help to give you a better understanding of the value of a Federal warehouse receipt and why many bankers prefer them.

QUESTION: Mr Yohe, just what is the United States warehouse Act?

ANSWER: It is a law which provides for licensing of any warehouseman engaged in the business of storing agricultural products, moving in interstate or foreign commerce.

QUESTION: Does the law apply to all kinds of warehousemen?

ANSWER: No; only to those storing agricultural products.

QUESTION: Must all warehousemen storing agricultural products operate under this law?

ANSWER: No; the law is not compulsory.

QUESTION: Who may become a licensed warehouseman?

ANSWER: Any person lawfully engaged in the business of storing agricultural products.

QUESTION: What is meant by a "person" in this law?

ANSWER: The word "person" includes an individual, a corporation, a partnership, or two or more persons having a joint or common interest.

QUESTION: What is a "warehouse" for purposes of this act?

ANSWER: A "warehouse" may be any building, structure, or protected inclosure in which agricultural products are or may be stored for interstate or foreign commerce. The department does not specify any particular type of construction, but the warehouse must protect stored products from weather damage and from damage caused by rodents. Open lots or so-called cotton yards are not acceptable for licensing.

QUESTION: What are the purposes of the law?

ANSWER: Its main purposes are to encourage the proper storage of agricultural products; to eliminate unsound or evil practices in warehousing and develop uniformity in warehousing methods; and to facilitate the financing of stored products so as to permit orderly marketing.

QUESTION: How is orderly marketing accomplished?

ANSWER: By providing for the issuance of warehouse receipts for all products which the warehouseman is licensed to store. These receipts can be used by depositors as collateral for loans. In this way the person placing the agricultural product in the warehouse can secure a certain amount of cash without selling the commodity. This prevents a general dumping of the product on the market shortly after it is harvested and makes it possible for the producer to market the crop throughout the year.

QUESTION: What products are storable under the law?

ANSWER: Originally the law provided for licensing warehouses for the storage of cotton, grain, tobacco, and wool. In 1923, the law was amended so as to make it possible to license warehouses for the storage of such agricultural products as the Secretary of Agriculture may deem properly storable under the act.

QUESTION: Can persons who operate warehouses for private storage only, be licensed under the law?

ANSWER: No. All federally licensed warehousemen must receive products for storage, as long as the capacity of the warehouse is not exceeded. A warehouseman can not discriminate between persons offering goods for storage if the products are in a storable condition. This includes buyers and shippers of products as well as producers.

QUESTION: Can an individual farmer secure a Federal license for his cribs and granaries when used only for storing his own grain?

ANSWER: No. The Federal law does not provide for this. It provides for licensing public warehouse only.

QUESTION: What advantage is it to a farmer to store his products in a federally licensed warehouse rather than in storage bins on his farm?

ANSWER: The principal advantages are:

(a) As security for loans the warehouse receipt makes it possible for the farmer to borrow on the loan value of his product rather than on his personal responsibility.

(b) It gives him a larger amount of credit.

(c) It gives him a larger field of credit upon which to draw.

(d) It places his products in the hands of a warehouseman who is presumed to know how to care for the products and prevent them from deteriorating.

(e) Generally, he can obtain a lower insurance rate.

(f) If his farm is located at some distance from a shipping point and the roads between his farm and the shipping point are not improved, placing his products in a federally licensed warehouse generally means having them at a point from which they can be shipped at any time in the year regardless of weather conditions, thus making it possible for him to take advantage of desirable opportunities to sell.

(g) If handled rightly, he ought to be able to secure a lower interest rate.

QUESTION: Can a farmer feel reasonably sure that his products stored in a licensed warehouse will be in the warehouse when he wants them?

ANSWER: Because of Federal supervision of these warehouses he can feel just as reasonably safe with regard to his products as he can when he deposits his money in a national bank. Both are under Government supervision.

UNITED STATES DEPARTMENT OF AGRICULTURE
Radio Service
OFFICE OF INFORMATION

PROGRAM INTERVIEW WITH AGRICULTURAL ECONOMIST RELEASE Fri. Mar. 11

NOT FOR PUBLICATION

ANNOUNCEMENT: Tonight the Interview with the Agricultural Economist will be a discussion of Federal Hay Inspection and its value to all who ship or buy baled hay. First hand information on this subject is given in the following interview with W. A. Wheeler, of the Hay, Feed, and Seed Division of the Bureau of Agricultural Economics, U. S. Department of Agriculture.

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FARMER: Mr. Wheeler, I've come to you to find out why it is we have more trouble marketing our hay than we have marketing our grain.

WHEELER: One big trouble is that all hay markets don't use the same standards.

FARMER: How's that?

WHEELER: Well, the so-called No. 1 grade of hay in one market, for instance, may not be the No. 1 grade in another market ------ and it never will be, as long as we use State grades here, commercial exchange grades there, and shippers' grades yonder.

FARMER: Isn't that the case with grain, too?

WHEELER: No. Grain has to be sold on United States standards. The use of the standard grades is compulsory in all important markets and it is possible to report a great volume of sales on identical standards.

FARMER: Well, you have United States standards for hay, too, haven't you?

WHEELER: Yes, but the inspection of hay moving in interstate commerce is not compulsory under such laws as prevail for grain.

Hay, as a great staple commodity, should be nationally standardized and quoted in markets on identical standards so that producers, shippers, distributors, and consumers may have the complete and accurate information which you admit you don't have.

FARMER: How can we get that information? How can we get hay grades standardized all over the country?

WHEELER: Under existing law, the only way we can get the United States standard grades applied throughout the country, is through cooperation with individuals and organizations in hay marketing.

FARMER: But you already have United States standard grades?---

WHEELER: Oh, yes! Certainly! We've worked out the standards all right. In fact, eighteen states have already adopted the United States hay standards as official State standards. Federal hay inspection is now conducted in cooperation with many States, commercial exchanges, shippers' organizations and farm bureaus on a voluntary basis.

The Government maintains supervisors offices at Washington, D. C. Atlanta, Chicago, Kansas City, Salt Lake City, and San Francisco. There are now about 40 civilian inspectors and 30 U. S. Army inspectors holding authority from the Secretary of Agriculture to make official hay inspections and the list is increasing each month. Inspectors' shools are now organized in Kansas City, Mo.; El Paso, Texas; and Portland, Oregon, that will soon add new groups of inspectors in these regions.

FARMER: What's the difference between the United States standards and other standard?

WHEELER: Well, in the first place, Federal hay standards are based upon definite color and foreign material specifications. In case of alfalfa, for leafiness also.

For example, the grade U. S. No. 1 Alfalfa means a type of hay that is 60 per cent or more natural green color, 40 per cent leafy, and that does not contain over 5 per cent foreign material and 5 per cent grasses.

These specifications are definite and can be definitely interpreted and applied by the trained Federal inspectors. Such a grade portrays a definite type of hay commonly produced. This and the other Federal grades provide a common language for all people tu use who produce, buy, sell or feed hay.

FARMER: I can see the advantage in the seller and buyer having a definite understanding about the quality of the hay wanted before confirming the order and billing the car. I can see where it's more important in interstate commerce than in local trading, ---------------

WHEELER: Yes. The greater the distance the hay is shipped the greater the chance of dissatisfaction and controversies. In the local market, you and the buyer --- or the seller, as the case may be -- can get together. You can go over differences of opinion over price. You can go over the weight and quality and determine and settle those questions promptly.

In most long distance shipments, however, with hundreds of miles and perhaps several middlemen between the original shipper and the consumer, chances for disputes as to quality and condition are much greater.

FARMER: Yes, I can see where they would be. But I can't see why the grades can't be expressed in plain everyday language telling just what kind of hay it is. That's the way we used to sell hay.

WHEELER: I suppose you refer to such terms as "dairy alfalfa" or "choice, pea green alfalfa" or "good feeding hay."

FARMER: Yes. That's the kind of thing I mean.

WHEELER: The trouble with such descriptive terms is that your idea of what they mean may not be what the other fellow thinks they mean. Such terms are vague, indefinite --- they give too much chance for honest differences of opinion ------ or for intentional misrepresentation. The use of such terms in long distance hay marketing makes a fertile field in which to produce a crop of controversies, demurrage, rejections, expensive telegrams, and losses to both buyers and sellers.

FARMER: Why can't the same troubles occur with the United States standard grades?

WHEELER: Well, as I explained before, the United States grades represent definite values. In case there is any dispute of the trained inspector's grading, his findings can be checked by definite physical tests of the hay itself.

FARMER: Well, Mr. Wheeler, there/is just one more question, I want to ask you?

WHEELER: What's that?

FARMER: Where can I get my hay inspected?

WHEELER: Just drop a line to my Division of Hay, Feed and Seeds of the Bureau of Agricultural Economics of the Department of Agriculture at Washington. We'll send you a list of inspection points, the grades, and other information you may want.

FARMER: Suppose my community is not onthe list?

WHEELER: In that case,you can still get the advantage of the United States standards. If you ship or buy froma market center where a Federal hay inspector is located, you can specify inspection prior to shipment or on arrival. If no Federal inspector is available at shipping point or destination, you can buy or sell on your own interpretation of the standards, and if the grade is questioned when the hay reaches destination you can apply to the nearest inspector to have the hay officially graded.

This method is especially important where unforseen hay shortages create crises that require the interstate shipment of large quantities of baled hay to meet the urgent demands of stock feeders. Under such conditions, the use of definite contract specifications that can be applied by a Federal inspector if necessary is almost imperative to insure the deliver of good grades of merchantable hay.

UNITED STATES DEPARTMENT OF AGRICULTURE
Radio Service
OFFICE OF INFORMATION

PROGRAM Primer for Town Farmers RELEASE Thurs. Mar. 24/27.

(NOT FOR PUBLICATION)

ANNOUNCEMENT: Trees is the subject of W. R. B.'s talk tonight. This is the seventh of a new series on the talks in the Primer for Town Farmers by one of Uncle Sam's garden advisers. This is released by the United States Department of Agriculture through Station- - - - ____________.

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"I wonder what the former owner of this place had in his mind when he planted those two tall sycamore trees in the back yard," said neighbor Smith last Sunday as he was poking around the place looking things over, "I always associated sycamore trees with streams of water."

"He did not even have a word in the matter for his wife had those tall sycamores planted with the idea that they would shade the upper sleeping porch from the afternoon sun for which purpose they have been a failure. You have shaded the porch perfectly by means of your wisteria covered trellis."

"It seems to me," said Smith "people do sometimes show the poorest judgment about trees, especially with regard to their planting. I am half inclined to cut those sycamores down. I doubt if they ever will make a good shade. Besides elms or red oaks would be so much better suited to the location."

"You're right," I replied, "but it's my policy never to cut a tree unless compelled to do so. "Sometimes trees become a nuisance, but I always think of the hot days we have along in July and August and the glorious shade and protection trees afford. See that beautiful birch tree in my front yard? Well, it was a poor straggly specimen when I bought the place several years ago, but I have fertilized and watered the lawn about it until now a $500 bill wouldn't tempt me to cut it."

"What kinds of trees do you recommend planting for shade around the home and along the street?" asked Smith.

"That depends on a number of things," I replied. Locality, climate, character, and drainage of soil, available space and so forth. Generally, I prefer the oaks, elms, and hard maples. But sometimes you get the greatest surprises from some of the trees that are rarely planted for shade or ornament. For example, have you noticed that sassafras tree at the front of my lawn? It just grew there by chance. With the first warm days of spring its buds begin to swell and to show a pale greenish yellow color. Later these buds open and you have the clusters of yellow flowers. Then come the leaves, very small at first, but rapidly expanding into full grown leaves. All through the summer that sassafras tree undergoes certain changes until finally in autumn it is a mass of glorious sunset colors."

"How about trees for planting?" asked Smith. "Where had they best be obtained?" "Are those that grow wild in the woods all right?"

"As a rule trees for planting should come from a nursery", I replied. Nursery grown trees have better roots than those that grow in the woods or even in the open fields. Sometimes you can find a really good young tree along the edge of the woods but its roots are generally long and scattered so that it is difficult to move. Nursery grown trees are subjected to considerable root pruning during cultivation so they can be transplanted to better advantage. As to the kinds of trees to plant, choose those that grow naturally in your locality giving proper consideration to the soil they grow in."

"How about planting nut trees for shade about the house and along the roadside?" asked my neighbor.

"An excellent idea", I replied, "but you should plant only those kinds that grow well in your particular part of the country. The common black walnut is now being planted quite extensively, although it doesn't make a dense shade and sometimes sheds its leaves early in the fall."

"I was just going to ask you about black walnuts", said Smith, "is there much of a demand for the nuts?"

"When I was a boy in Ohio", I replied, "no one thought of gathering more walnuts than were wanted for home use, and great quantities of them went to waste, but now every good walnut is gathered and sold and some farmers are planting walnut trees, both for their crop of nuts and the much prized walnut timber."

"Tell me something about pruning and the care of shade trees", asked Smith.

"Well first", I replied, "when you set a shade tree trim all broken or lacerated roots, making clean cuts. After the tree is set in the ground tie a piece of cloth or burlap around the trunk about 5 feet from the ground and brace it to three stakes using wire or heavy cord. Then prune the top, leaving three to five well arranged branches to form the head. One of these should either be the main central leader or a branch which will grow upright and form a good leader. Finally, tramp the soil firmly about the tree and if the soil is dry water it well. A mulch of straw or compost about the tree will help retain the moisture.

"Shade trees need about the same care as do apple trees. They should have a small space cultivated around them during the first two or three years. They should be fertilized, watered and be kept free from insects. They should also be pruned from time to time. If you plant two-year old or three-year old nursery grown trees, they will need to be pruned rather severely at planting time. The greatest attention to pruning a shade tree must be during the first three years after it is set out. That is the time when its character and shape are being formed and the tree is subject to modification."

"How are weeping willows and weeping mulberries produced?" asked my neighbor.

"Weeping willows just grow that way naturally", I replied. Weeping mul-

berries are produced by grafting the drooping form upon an upright form at the desired height from the ground. I do not care for the weeping mulberries, but I do think a weeping willow is beautiful, if growing by a stream or beside a flowing spring of pure water."

I want to plant two shade trees", said neighbor Smith, "but was just a little in doubt as to the kinds to plant."

"Under your conditions," I replied,"I would plant an elm and a willow oak. You already have a hard maple and an ash growing in your yard besides the two tall sycamores. Then your five or six apple trees are beginning to make good shade, so if you don't watch you will soon have your quarter acre lot crowded with trees and no room for flowers or vegetables."

"I guess you're right", said Smith, "but I do like trees and plenty of shade. "By the way, I almost forgot to ask you where I can order those two trees I want. Will it be all right to get them from the nursery south of town or shall I send away for them?

"Get them right here at home", I replied, "if the local nurseryman has the kinds you want. It hardly pays to send a distance to get so small a number of trees."

"Thanks", said Smith, "See you later."

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UNITED STATES DEPARTMENT OF AGRICULTURE Radio Service OFFICE OF INFORMATION

PROGRAM......INTERVIEW WITH THE AGRICULTURAL ECONOMIST RELEASE Fri. Mar. 25/27.

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(NOT FOR PUBLICATION)

ANNOUNCEMENT: The interview with the Agricultural Economist for this evening will discuss a different phase in the handling of grain, the application of the United States Grain Standards Act. The gentleman interviewed is Mr. H. J. Besley, head of the Grain Division of the Bureau of Agricultural Economics in the United States Department of Agriculture.

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Question: Mr. Besley, about how much grain is raised in this country?

Answer: It is rather hard to even imagine the vastness of the total grain crop of the country, more than five billion bushels all told. This includes the six grains for which official standards have been established--corn, oats, wheat, barley, rye, and grain sorghums. Then there is also rice, flaxseed and buckwheat.

Question: Such figures really do not mean anything to my mind; how can they be grasped by the average person?

Answer: Well, let's put it in the terms of carloads of grain. Most everyone has an idea of what that means. If the total grain crop of this country were put in cars, it would make a train long enough to extend entirely around the earth and there would be a lapover of 2000 miles of cars.

Question: How much of this grain finds its way into box cars for shipment away from its place of production?

Answer: The bulk of it is fed on the farm, except in the case of bread grains (wheat and rye). The bulk of these grains moves off the farms where produced. I should say that something like four-fifths of the corn, oats and barley produced is consumed on the farm as feed.

Question: It seems to a number of us farmers who sell grain that it must be all alike because we all get the same price. Is this true in the markets?

Answer: Commercial grains of all kinds vary considerably in quality, from Choice to very poor.

Question: In the market does the quality have any influence on the price that is obtained for it?

Answer: Why, certainly, the best grain always brings the highest price.

Question: Well, why is it and how is it that when this grain gets into the markets it is graded?

Answer: In practically all the markets licensed grain inspectors do this grading. It is done, however, only when their services are requested by the owners of the grain.

Question: What are the advantages of this grading or inspection service?

Answer: Having the grain graded provides a convenient and fair basis for arriving at the commercial value of a given quantity of grain. This grading very greatly facilitates trading between buyers and sellers who are in different markets in different parts of the country and who cannot both look at the same grain at the same time.

Question: Why do you call the inspectors "licensed" grain inspectors?

Answer: The licensed grain inspectors hold a license from the U. S. Secretary of Agriculture under the authority of the United States Grain Standards Act which gives them authority to apply the U. S. standards for grain to all grain that they inspect. Very often they are referred to as Federal inspectors.

Question: Are these licensed inspectors Government employes?

Answer: No, they are not employes of the Government because they do not get their pay from the Government. They are employed either by the grain exchanges or by the state in which they work under the State Grain Inspection Department. In some few cases they are independent operators who grade grain for so much per carload.

Question: Can these grain inspectors buy and sell grain themselves?

Answer: No. The Grain Standards law says that while they are holding a Government license they cannot be financially interested in any purchase or sale of grain, nor in the operation or control of grain elevators or warehouses.

Question: When a licensed inspector grades a lot of grain, is the buyer and seller required to accept the inspector's decision?

Answer: Certainly not. If anyone who has asked for an inspection does not feel satisfied with the work of the local inspector, he can apply for further grading to a Federal grain supervisor if the grain happens to be crossing a state line or going into foreign commerce.

Question: I am not quite clear yet as to whether you have to have your grain graded by a Federal inspector?

Answer: No, it is not compulsory that you have your grain graded by a Federal inspector, providing the buyer is willing to take it on the basis of his own inspection of the grain or upon your statement as to its quality. If Federal inspection is requested, it then provides both you and the purchaser of your grain with an unbiased outside opinion, which is made by a person trained in the business of grading grain.

<u>Question</u>: Who are these Federal grain supervisors that you mention?

<u>Answer</u>: They are Government officers who act for the Secretary of Agriculture in the enforcement of the Grain Standards Act. They are located at all of the principal grain markets of the country.

<u>Question</u>: How many licensed grain inspectors are there in the United States?

<u>Answer</u>: About 460.

<u>Question</u>: Are they in all the markets of the country?

<u>Answer</u>: In 158 of them, which covers practically all.

<u>Question</u>: Do the people who deal in grain use the Federal inspection to any considerable extent?

<u>Answer</u>: Yes. The Federal inspection is quite generally used. In 1926 more than a million and a half inspections were made.

<u>Question</u>: How many different kinds of grain has the Secretary of Agriculture established official standards for?

<u>Answer</u>: Official standards have been established for wheat, corn, rye, oats, grain sorghums, and barley.

<u>Question</u>: Will grades be established for other grains than those you mentioned?

<u>Answer</u>: Official standards will probably eventually be issued for many more grains than are now on the list. Just at this time studies are being made along standardization lines for flaxseed, buckwheat, and rice These will make the list fairly complete.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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PROGRAM .... RELEASE ....

Interview with the Agricultural Economist — Fri. Mar. 25/27.

(NOT FOR PUBLICATION)

SUBJECT: OUR PRESENT AND FUTURE FRUIT SUPPLY

ANNOUNCEMENT: Some weeks ago we had a talk with the Agricultural Economist on the Prospects for Commercial Vegetable Production. Today we shall ask him something about the situation with reference to tree fruits. Our people are eating a great deal more fresh fruit now than they did a few years ago. If any of us are not getting our share we are missing something worth while. Fresh fruits as a group are relatively cheaper now than ever before. The following interview is again with Mr. Wells A. Sherman, Chief Marketing Specialist of the Bureau of Agricultural Economics, U. S. Department of Agriculture:

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Question: What is the prospect for the commercial fruit grower in 1927?

Answer: It is too early to speak confidently, but up to this time none of the important fruit districts appear to have sustained any serious injury from freezing or any other cause.

Question: Then the growers and consumers may expect large fruit crops?

Answer: It looks that way. We may have the largest crop on record. A great many young trees are coming into bearing in most important districts.

Question: So the fruit growers are likely to have a good year?

Answer: That does not necessarily follow. We have passed the point where the largest crops bring the most money.

Question: Why is that?

Answer: Because so much fruit is now sent to market that much of it does not bring the cost of harvesting and marketing. The cost of production is much higher than before the War because the wages of labor for cultivating, picking, grading and packing have advanced, and the price of packages has increased. Freight rates also are much higher and must be deducted from the wholesale market price before anything can come back to the farmer. Therefore the fruit may now sell at a price which would have been profitable before the War and still return nothing to the grower for his own labor or as interest on his investment.

Question: But the city people think fruit prices are high enough.

Answer: Yes that is true. Prices seem high because the cost of distribution in the cities has increased as well as the cost of production and the charges for transportation. We are living in an era of higher costs than this

generation had ever known before the War, but fruit prices, as a general rule, are relatively lower now than they were then, and they are likely to continue relatively low for several seasons.

Question: Why then do not the farmers cut down the production?

Answer: Because this means cutting down the orchards. An orchard is a long-time investment. It takes years to bring it to full bearing. The owner will hold on to it as long as he can and hope for the best. He cannot vary his apple acreage from year to year as he can his potato or strawberry acreage. This is why the prices of tree fruits are likely to be so much more stable than the prices of vegetables.

Question: Then you think tree fruits are really cheap and will continue to be cheap?

Answer: Yes - Broadly speaking the public need not expect cheaper fruit than it has had this year. The only hope I can see in this direction lies in the possibility of improving the methods of marketing in the smaller cities where prices are often higher than in the large centers. Of course there will be years of short peach crops or short apple crops when prices will be much higher and growers who are fortunate enough to have even half a crop will make some money. On the whole the growers of tree fruits must depend upon closer grading, and should ship only the best to market in ordinary seasons.

Fewer young orchards are being planted just now and within a few years the supply and population may be better balanced.

Question: I suppose the middlemen make money no matter what the growers get or what consumers pay?

Answer: Some of them certainly do not. Tens of thousands of carloads of fruits are shipped to market every year by middlemen who ship and sell for the grower. They receive a fixed percentage of the net returns, that is of the price which comes back from the market after the freight is paid. Prices have been so low this past year that these commissions have not paid the operating expenses of the shippers who must employ office forces, salesmen, inspectors, etc., and incur a large expense for telegrams incident to sales through brokers at distant points. Many speculators also who have bought in advance of the season have lost money.

Question: So on the whole the fruit outlook is rather discouraging?

Answer: This is not the time for the man who wants to get rich quick to invest in an orchard nor to plant one. The commercial fruit grower needs to take the best of care of his trees and market his fruit most carefully if he is to realize even moderate profits for the next few years. The consumer has the best of it just now and ought to cultivate the fruit habit. It will be good for his health and is the cheapest and best combination of food and tonic.

ANNOUNCEMENT: This concludes the interview with the Agricultural Economist. If you would like to know just what the Department of Agriculture has found out about the peach industry you should write to the United States Department of Agriculture, Washington, D. C., and ask for a copy of its circular on the Peach Situation in the Southern States.

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